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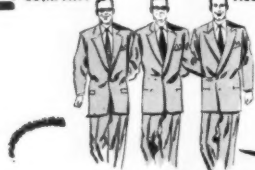
THURSDAY, AUGUST 2, 1956

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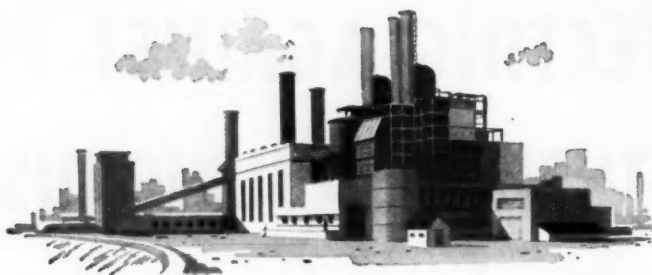
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Philadelphia

The NATIONAL UNDERWRITER

60th Year, No. 31
August 2, 1956

The National Weekly Newspaper of Fire and Casualty Insurance

Andrea Doria Sinks after Stockholm Hits Her Amidships

Number of CPCU Designees Sets New Record in 1956; Murray Heads American Institute

Congress Votes \$5 Billion Flood Cover Legislation

Doria Hull Insured for \$16 Million, Other Cover Will Make Loss Giant One

The Italian luxury liner *Andrea Doria* sank in the Atlantic ocean after colliding with the Swedish liner *Stockholm* in heavy fog 45 miles south of Nantucket Island. The *Andrea Doria* was bound for New York from Italy and the *Stockholm* was outbound for Sweden when the bow of the Swedish ship plunged into the Italian liner amidships.

There was \$16 million coverage on the hull and machinery of the *Andrea Doria*, with about one-third in the Italian market, more than half in London, and \$2,165,859 in American insurers. Checks covering the latter amount have been mailed by Johnson & Higgins to Willis, Faber & Dumas, its London correspondent. Of this, \$1,624,394 was in American Marine Hull Syndicate, and the other \$541,465 in American International Marine Agency, New York.

The *Andrea Doria*, when she went into service in 1951, was valued at \$29 million. Apparently there was no coverage on the hull and machinery of the *Stockholm* in the American market. She is valued at around \$7 million, and had 50 feet of her bow sheared off. Observers speculate it will cost \$1 or \$2 million to put her to sea again. She limped into port at seven knots with her own passengers and several hundred survivors from the *Doria*.

The loss to the insurance markets, according to Owen E. Barker, presi-

Hugh H. Murray Jr., president of the Associated Insurers agency at Raleigh, N. C., was elected president of American Institute for Property & Liability Underwriters at its annual meeting in New York to succeed Guy T. Warfield. All other officers were reelected. John A. North, president of Phoenix of Hartford, and Dr. S. S. Huebner, retired professor of insurance at Wharton School, who have been term trustees of American Institute since its founding, were elected to a newly authorized classification known as life trustees. James C. Hullett, president of Hartford Fire and National Board, was elected a trustee.

A record number, 213, completed all examinations successfully. All excepting two of the 213 had earned credit for one or more parts prior to this year. Four of the 213 who fulfilled the examination requirements have not completed the experience requirement and 209 of them were eligible to receive the designation. Eight persons who had not fulfilled the experience requirement in prior years did so this year. Therefore, 217 persons were approved by the board to receive the designation Sept. 13, compared with 203 last year. Designees are from 34 states, District of Columbia and Hawaii.

The national conferment of designations will be made in Cincinnati Sept. 13 at an all-industry luncheon sponsored by Cincinnati CPCU chapter. The conferment will be conducted as one of the sessions of the annual meeting of Society of Chartered Property & Casualty Underwriters. Regional diploma presentation meetings will be held later under sponsorship of the various chapters of the society.

CPCU candidates who completed examination and experience requirements follow (those marked with asterisk completed examination requirements prior to 1956):

Abdoo, Frederick F., London Assurance, New York; Anderson, David R., Marsh & McLennan, St. Louis; Ansburo, Arlington C. Jr., Uni-Insurance Service Corp., Berkeley, Cal.; Archer, Richard A., Allen T. Archer Co., Los Angeles; Arnold, Lewis Hayden Jr., F. W. Offenhauser & Co., Texarkana; Arthur, Donald L., American, Dallas; Atkins, James V., Hurley, Atkins & Stewart, Seattle;

Barber, Hans W., Employers group, Boston; Barnes, Thomas B., Cooling-Grumme-Mumford Co., Indianapolis; Bartholomay, Herman Jr., Bartholomay & Clarkson, Chicago; Bartholomew, Edmund L., Swett & Crawford, Oakland; Barton, Alexander K., Warfield-Dorsey Co., Baltimore; Baumann, Hubert T., Buffalo, N. Y.; Baxter, William A., Allen T. Archer Co., Los Angeles; Beehler, Anne, local agent, Lima, O.; Beets, F. Lee, T. H. Mastin & Co., Kansas City; Bell, Charles D., local agent, Cherokee, Ia.; Bennett, Howard W., Continental Casualty, Los Angeles; Blinn, Thomas P., Omaha Agency, Omaha; Bolton, B. E., Charles C. Terry General Agency Co., Louisville; Bothwell, Cloyd Ross Jr., Indemnity of North America, Tampa; Bowie, W. Russell Jr., T. H. Maenner, Inc., Omaha; Bragg, Harrie P. Jr., Millers Mutual Fire, Harrisburg, Pa.; Breeden, Robert W. Jr., Hardin & Ferguson, New Orleans; Brown, Donald, Capitol Life, Denver; Burkart, Edwin L., Echlin Irvin Crowell Co., El Paso;

Campbell, John F., Panhandle Agency,ampa, Tex.; Carlson, George Donald, Aetna Casualty, Minneapolis; Carrillo, Otis C., Daly General Agency, Denver; Chapman, Robert E., Chapman Agency, Webster Groves, Mo.; Charlton, John G., Fidelity & Deposit, St. Louis; Clarke, John Richard, Employers group, Chicago; Cogley, Martin E., Regan General Agency, Sioux Falls, S.C.; Collins, Larry, Co-Op Insurance Service, Berkeley,

Cal.; Connelley, Robert R., General Adjustment Bureau, Richmond; Considine, Donald P., St. Paul group, St. Paul; Cook, Richard H., American Surety, Toledo; Cooke, Roger A., James S. Kemper & Co., Chicago; Cotter, James A., Travelers, Boston; Crews, Raymond E. Jr., W. B. Johnson & Co., Kansas City; Crockett, Elmer Berkley, Fire Association, Towson, Md.; Croll, Kenneth H., Gulf, Toledo; Cutler, Rudy R., local agent, Irvington, N.J.;

Deane, Douglas W., Royal-Liverpool, Atlanta; Diffenderfer, William G., Liberty Mutual, West Orange, N.J.; Dillon, Donald E., Dillon-Miles-Wyman Agency, Richardson, Tex.; Disharoon, Charles Robbins, Cook & Disharoon, Oakland; Doolittle, Robert Allen, Doolittle & Co., Cedar Rapids; Dortch, H. Wayne, Texas Employers', Corpus Christi; Dunbar, Henry F., Lucas C. Wall Co., Los Angeles; Duncan, Ronald H. T., Loyalty group, New York; Dye, William Marvin, State Farm Mutual Auto, Berkeley, Cal.;

Erickson, Kenneth E., Fireman's Fund, Memphis; Evnen, Roy, United Fire & Casualty, Cedar Rapids;

Farkas, Steve Jr., Boston-Old Colony, Mentor, O.; Faulkner, Michael J., American International Underwriters, New York; Fay, Robert G., Baker & Co., Philadelphia; Fisher, Fred R., Palmett Fisher & Carlo, Portland, Ore.; Flader, Richard W., Haas Agency, Ridgewood, N. Y.; Flanagan, John J., North British group, Des Moines; Frankel, Robert M., Frankel Co., Pittsburgh; Freeman, Linton H., Employers Casualty, Dallas; Freeman, Wendell R., State Farm Mutual Auto, Bloomington, Ill.; Freese, Marshall A., Aetna Casualty, Buffalo; Frey, Catherine A., Continental, Columbus, O.; Fry, Dale C., Employers Mutual Casualty, Chicago; Fry, Roland G., Brown-Gup Agency, Mobile, Ala.;

Gillingham, James Warren, Miller, Kuhrts & Cox, Los Angeles; Glass, Joseph E., Liberty Mutual, Pittsburgh; Gleeson, Francis E., Hawkeye-Security, Omaha; Goodby, Donald R., Automobile Mutual, Providence; Graham, John F., Warfield-Dorsey Co., Baltimore; Greenawalt, Richard H., Employers' group, Pittsburgh; Grier, Benjamin F., Allen T. Archer Co., Los Angeles; Griffiths, Frank R., National Surety-Fireman's Fund, Washington, D. C.; Grisvold, Frank Martin, Industrial Indemnity, Mill Valley, Cal.; Gut, Robert M., Glens Falls, Indianapolis;

Hackney, John N. Jr., John N. Hackney Agency, Wilson, N. C.; Hagen, Edward W., United Pacific, Sacramento; Hahn, William A., Insurance Factors, Ltd., Honolulu; Haight, Robert R., St. Paul F&M, San Francisco; Halouzka, Milos S., American International Underwriters, New York; Harrison, John F. Jr., Boston, Cape Elizabeth, Me.; Hatchell, George J., Integrity Mutual, Appleton, Wis.; Heimstaedt, Henry G., Atlantic Mutual, New York; Heins, Richard Marriott, Dr., U.C.L.A., Los Angeles; Heller, Sidney H., Meyer Lightner & Co., Oakland; Hiestand, J. C. Jr., Ohio Farmers, LeRoy, O.; Holland, Mervin G. Jr., Laird-Hague Co., Harrisburg, Pa.; Holwick, Dale M., Canton, O.; Huddleston, La Verne W., Scarborough & Co., Chicago; Hughes, John R., Parke, David & Co., Birmingham, Mich.; Hunt, Clarence M. Jr., C. M. Hunt Co., Nash-

(CONTINUED ON PAGE 28)

Administrator Required to Use Facilities of Private Insurance

WASHINGTON—Congress in the closing hours of this session voted a \$5 billion flood "insurance" program which also includes authority for \$22 billion of federal loans for flood victims. The measure has administration support and presumably will be signed by the President.

Many suggestions and recommendations of representatives of the insurance business have been reflected in the measure. Also, it is notable that from the time that the devastating floods hit the northeast in 1955, through discussions and hearings of state and federal legislative bodies, and on into the deliberations that have resulted in Senate-House legislation, the carping, often uninformed criticism which the insurance business sometimes gets has been almost entirely missing. This is testimony to the manner in which the business handled the whole flood insurance problem from the beginning.

However, the business does not like the word "insurance" for that portion of reimbursement coming from the government. "Indemnity" would have been preferred. Also, the business regards the definition of flood as extremely broad. Flood is defined in several ways but the definition may have "such other meaning as the administrator may prescribe by regulation." This is in itself an example of very broad powers given to the administrator, powers which the business regards as perhaps too broad.

However, the bill, in section 13, requires the administrator, in car-

(CONTINUED ON PAGE 26)

Highlights of the Week's News

Innocent victim cover is effort to solve public problem in insurance way	Page 11
E. C. Holden explains types of cover needed for seagoing vessels	Page 15
Guide offers answer to windshield replacement problem	Page 15
Estimate \$800,000 insured loss in two New Jersey blazes	Page 12
INIB details inland marine experience for 1955	Page 18
Receiver of Inland Empire seeks Royal American assets	Page 22
F.A.D. has good first six months	Page 22
Northwestern F. & M. and Twin City Fire buy L. E. Ellis agency	Page 5
Set hearing on Kentucky plan for deductible cover	Page 5
Continue hearing on WC package plan in California	Page 4
Continental Casualty writes \$100 million in first six months	Page 4
Dwelling graduated rate hearing in Texas draws 300	Page 28
State Farm's UM endorsement approved in New York	Page 27
Traffic deaths reach record high in first six months	Page 6
Idaho abandons charitable immunity	Page 6
West Virginia agents to meet Aug. 12-14	Page 6

Late News Bulletins ...

Atomic Indemnity Loses Out

One casualty in the closing hours of Congress was the proposed government program for \$500 million of indemnity to cover damage caused by atomic plant explosions or accidents.

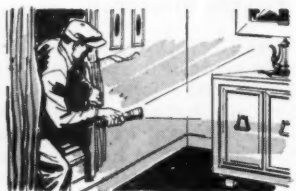
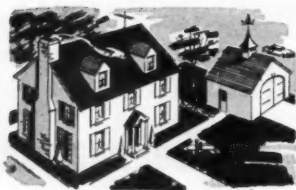
To Advise on Service Dependents A&S

A&S and life insurance associations have nominated representatives to serve on a committee to advise the Department of Defense on the insurance, medical service and health plan aspects of the military dependents benefits act. Included on the committee are representatives of Health Insurance Assn. of America. They are W. G. Boger Jr. of Hartford Accident, Albert N. Randall of Mutual Benefit H.A., and A. M. Wilson of Liberty Mutual.

Mass. Bonding Launches Discount Auto Insurer

Massachusetts Bay Ins. Co. has been launched by Massachusetts Bonding with \$1 million capital and \$1½ million surplus to write automobile coverage at a discount from manual rates in six month policies. The company has been authorized in Massachusetts and plans to enter other northeast and midwest states. President Wallace Falvey indicated the new company will write preferred risks.

2-WAY SAVINGS for Homeowners and Tenants



THERE ARE FEW protection needs of homeowners and tenants that can't be met through use of the residence package policies. The quick acceptance of the "all-in-one" policy has, in fact, opened up the whole field of the residence and personal lines to agents who do the systematic promotion and contact work that is required to inform and sell these groups.

With the Homeowners and Comprehensive Dwelling Policies, Grain Dealers' agents have the

package contracts that give these buyers the broader, economical protection they want. They can offer the added advantage of the two-way savings that our package policies provide: Savings through low initial cost, and savings through policyholder dividends. It adds up to a "package" that's hard to top!

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Continue Hearing on WC Package Plan in Cal.

SAN FRANCISCO—After two days of testimony and conflicting opinions—sometimes reaching near acrimony—over the proposal of Commissioner McConnell of California to prohibit the packaging of various casualty lines with workmen's compensation policies, the hearing was adjourned until Aug. 2. Opponents to the packaging plan were heard July 23, and their testimony was reported last week. On Tuesday there was a resume of the arguments.

Generally, the California domestic companies, which have been writing most of the comp business in the state, oppose the package plan, while the proponents include Industrial Indemnity, which has been issuing some policies on that basis, and National Bureau of Casualty Underwriters.

Those against the plan argued that to permit adding such coverages as general liability, BI, PDL, glass, etc., with WC, is illegal in California, and could be in violation of the California minimum rate law, being, in effect, a form of rebating to obtain the comp line while opening up the gates to a rate war for miscellaneous casualty, there being no rate regulation of other lines in the state.

Industrial Indemnity has issued some policies with miscellaneous lines attached, including automobile, and has advertised a 15% discount which is presumably on the added lines. Spokesmen for Industrial Indemnity say there are restrictions on this package, that it was designed for the small employer and averages about \$100 maximum premium for "outside" lines. Opponents say there is nothing in the contract to indicate this or to guarantee that larger risks would not be solicited. Joseph F. Morrison, vice-president of Industrial Indemnity, said this is controlled by the company's formula and that as the premium climbs the eligibility of the risk "dampens." It is not being offered to every risk, he said. The principal selling points are common expiration, one policy and one company.

The department has held hearings on the combination plan in Los Angeles and San Francisco, and the discounts for attached policies has been one of the major matters of discussion. Opponents of the package plan insist there is no way of controlling the discount—that if the added coverages produced a loss the use of discounts would be in effect a discount on the statutory WC premium and thus a violation of the minimum rate law.

If the proposal is approved, it was suggested, there might be developed

Continental Casualty Writes \$100 Million in First Six Months

Net premiums written by Continental Casualty in the first six months of 1956 were \$101,972,629, a gain of \$6,822,389 as compared with the first half of 1955. Net income from operations for the first half of 1956 was \$5,153,199 against \$5,010,736 in the same period a year ago.

As of June 30, Continental Casualty showed a gross surplus of \$118,060,391, a gain of \$15,034,273 since Dec. 31. Assets rose from \$276,377,187 Dec. 31 to \$293,193,498 on June 30.

The affiliated life company increased its insurance in force to a new high of \$3,960,214,847, and showed a gain from insurance operations of \$3,490,282, gross surplus of \$47,078,582 and assets of \$426,280,711.

some control over the discounts. Bert W. Levit, attorney for Industrial Indemnity, asked about the possibility of having California Inspection Rating Bureau extend its services to handle this, but was advised that CIRB was created to handle only WC and employers liability and there is a question whether it could take on additional responsibility or that the legislature would consider an amendment allowing it. Without such control, the matter is wide open to companies using the package plan to manipulate discounts on added lines, those against the idea argued, and could, therefore, indirectly violate the minimum rate law. If the combination WC policy were permitted, it was said, the commissioner would have jurisdiction over the comp portion of the package but "would be asked to close his eyes" to discounts on other lines and these discounts "control the transaction."

E. R. Howard, manager of the state compensation fund, said the package plan is "vicious" and replete with "unfair tactics" and would mislead the public by giving a distorted view of the entire insurance business. He urged that the department adopt the rule of prohibition in the public interest.

Mr. Morrison was asked by Commissioner McConnell if he would object to limiting the package to certain sizes of risk, and Mr. Morrison said he had no objection to that.

Mr. Levit and Robert M. Browne, representing National Bureau, insisted in their summing up that opponents of the package policy were delving into phases far beyond the original intent of the hearing by bringing in such matters as rates, law violations, etc. Mr. Browne said adoption of the proposed department rule also could be extended into rate regulation and that many subjects brought up were irrelevant.



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N. W. F. & M. and Twin City Fire Buy L. E. Ellis Agency

Northwestern F. & M. and Twin City Fire have purchased the entire business of L. E. Ellis & Co. of Des Moines, prominent general agents for the state of Iowa.

C. W. Hall, president of Northwestern, said all of the personnel of the 60-year-old agency will be assumed, including H. G. Zimmerman, agency head.

The two Minneapolis companies, both members of Hartford Fire group, have been represented in Iowa by the Ellis agency and its agents throughout the state for many years. They plan to continue their operations through Ellis & Co. personnel with the same service office for production and loss activities.

Norris Opens Independent Adjusting Office at Muncie

Jack G. Norris, who since 1954 has been manager at Muncie, Ind., for Western Adjustment, has opened his own independent adjusting office in the Johnson building there.

Mr. Norris was resident adjuster at Crawfordsville, Ind., for Western for 18 months and was at St. Joseph on the adjusting staff for five years before that. He started in the business in 1937 with Northwestern National at Kansas City, and after the war for two years was with a local agency at Kansas City.

Badger Mutual of Milwaukee has begun construction of a second story to its home office building which will add 10,000 square feet of floor space at a cost of approximately \$190,000.

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Hearing Sept. 11 on Kentucky Plan for Deductible Cover

A hearing has been scheduled for Sept. 11 by the Kentucky department to discuss fire deductible, excess of loss and catastrophe plans. The department in a bulletin dated Feb. 6 asked the insurers to withdraw individual filings on these plans in order that a study could be made of them and a plan worked out to be used by all companies.

The department plan will be presented at the Sept. 11 hearing. For deductible insurance it offers eight recommendations:

1. That 80% higher co-insurance rates for fire and other perils be used as a basis. In the event of blanket coverage, blanket rates and rules shall apply. The appropriate coinsurance clause must be attached to the policy.

2. The minimum deductible shall not be less than 10% of the total amount of insurance.

3. The amount of deductible shall not be less than 10% of the total amount of insurance.

4. In the event of blanket coverage, the amount of deductible shall apply to each individual building or fire division.

5. The deductible may not be specifically insured.

6. Credits or discounts for deductible applicable shall be submitted to the department for approval, supported by statistics.

7. Forms and clauses approved and filed by an approved bureau shall be attached to the policy.

8. The minimum premium shall not be less than \$500 annually.

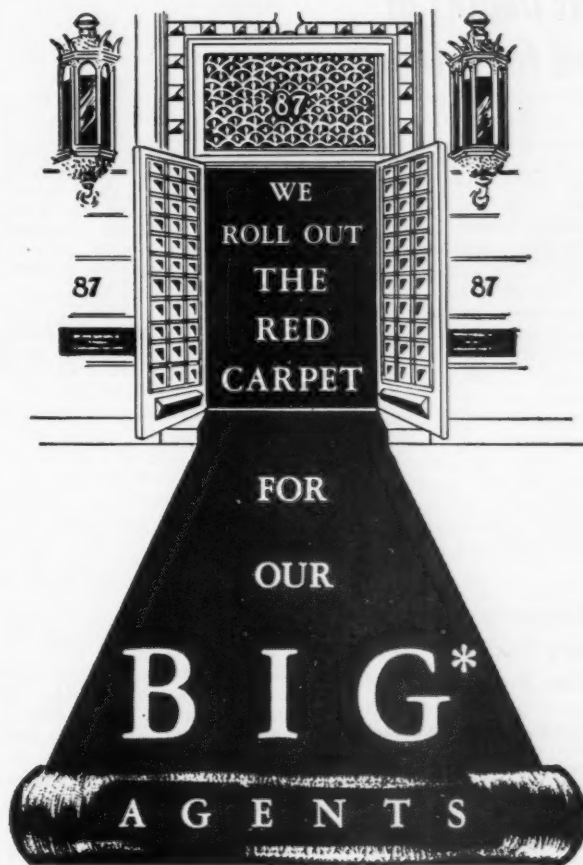
For excess of loss and catastrophe plans, the department recommends the same rating procedure, minimum deductibles and percentages as for the deductible as a basis for establishing rates and appropriate credit shall be indicated for the amount of retention assumed by the insured. Special forms defining coverages may be permitted provided there are no conflicts with present filings.

Excess of loss and catastrophe plans will be considered deviations from established rating procedures and coverages and filings will be effective for one year from date of approval, and applications for renewal or extension of deviations must be supported by premium and loss statistics on Kentucky business and for expenses on a countrywide basis including information on loss adjustment based on earned premiums; commissions and brokerage based on written premiums; other acquisition costs based on earned premiums; general expenses based on earned premiums, and taxes and fees based on written.

Adoption of the proposed plan or variations shall not preclude the use of deductibles not in excess of \$500 to eliminate nuisance claims of such lines as automobile, physical damage, casualty, inland marine, etc.

Associated Reciprocal Exchanges Not on Springfield, Ill., Loss

A story about a downtown fire in Springfield, Ill., erroneously stated that the W. T. Grant store, one of the buildings which suffered a large loss, was insured in "the Ernest Brown reciprocals." The reciprocal, which is correctly known as Associated Reciprocal Exchanges and is no longer connected with the Brown interests, was not on the loss.



*BOSTON INSURANCE GROUP



BOSTON INSURANCE COMPANY

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Traffic Deaths at Record for 6 Months

Traffic deaths in the first six months of 1956, according to the National Safety Council, totaled 18,120, a record high and 10% more than for the same period last year. The previous high was 17,320 in the first half of 1937.

June deaths totaled 3,400, a record for that month, 14% above June of 1955 and 281 more than the old record of June, 1952. June also was the 16th consecutive month producing a higher traffic death toll than the corresponding month of the year before.

The present death rate trend indicates a record for 1956 of about 2,000 more than the 1941 total of 39,969, the council estimates.

Auto mileage for the first four months was up 6%, deaths were up 10%, producing a mileage death rate of 5.9 per 100 million vehicle miles as against 5.7 in the first four months of 1955.

Texas Department on Receiving End of Magazine Bouquet

Members of the Texas Board of Insurance Commissioners are basking in the warmth of some highly complimentary remarks thrown their way in the July 14 issue of *Business Week*, which describes the reforms that have been accomplished in the past year or so. The article outlines in general terms the results of the relicensing program the department instituted last fall which resulted in the closing up or non-renewal of licenses for something like 90 insurers, and then in still more general terms touches on the two big company blowups that were at the

back of the reform legislation—Texas Mutual and U. S. Trust & Guarantee.

One thing the article does not mention is the accomplishment since July 1 of processing something like 100 applications of foreign companies for licenses in Texas. During the hectic days of the last two or three years, the department was relatively inactive in handling out of state license applications, but once the relicensing program was completed, these were taken up and every one of the applications in the files has been processed. Companies desiring to be licensed in Texas are now having their applications handled promptly.

Ross Praises White, Herndon in FHA Win

Defeat of the proposed self insurance amendment to the National Housing Act on the last day of the just completed session of Congress was hailed today by Kenneth Ross of Arkansas City, Kan., president of National Assn. of Insurance Agents, as an important achievement in the fight to keep government out of private business.

Mr. Ross paid tribute to agents who spearheaded the campaign of selling congressmen the benefits and value of private insurance over government subsidy. He particularly praised Maurice G. Herndon, NAIA Washington representative, and Morton V. V. White, of Allentown, Pa., who exerted their efforts on the spot to convince Congressmen that the amendment was not in the public interest.

Canfield Joins Dallas

M. L. Canfield, who retired July 1 after many years in Texas for Home, has been elected president of Dallas Ins. Co., which specializes in dwelling risks. Dallas operates in Texas and Missouri.

Idaho Abandons Charitable Immunity

Idaho has joined the states abandoning the charitable immunity doctrine in the case of paying patients in charitable hospitals. In *Wheat vs Idaho Latter Day Saints Hospital*, reported in 50 *CCr* (Negligence) 1153, the state supreme court concluded that the hospital, although a charitable institution, is liable for injuries to its paying patients resulting from negligence or management or employees.

The court said it thoroughly considered the various theories of liability and immunity, but added that a lengthy review of them would "not add to the learned discussions already available," and instead cited several authorities for the change of position. It was noted that the lower court, in upholding the charitable exemption and so on Idaho precedent which left it no other course.

The decision was handed down May 29 and thus preceded that in Ohio, although the Ohio decision goes further and makes no distinction between paying and non-paying patients in assessing liability.

H. F. Johnston Retires, Western Adjustment Splits Mich. Field

Harold F. Johnston, Michigan regional supervisor for Western Adjustment, has retired after 44 years with the organization. He has been for 37 years with Western at Detroit. Mr. Johnston's experience goes back to the early catastrophes of Cloquet, Minn., in 1918; Murphysboro, Ill., in 1925, and St. Louis in 1927. He started with Western as an adjuster, becoming general adjuster, branch manager and regional supervisor.

With Mr. Johnston's retirement, supervision of Michigan has been divided, with Robert F. Irvine in charge of the western part of the state and Hall Lippincott the eastern. Both will have the title of regional supervisor.

Mr. Irvine will handle western Michigan except Houghton, Ishpeming and Ironwood which are under the supervision of N. W. Hastings at Milwaukee. He joined Western at Grand Rapids in 1928 and was regional supervisor in Indiana prior to his appointment in 1948 as deputy regional supervisor in western Michigan at Grand Rapids.

Mr. Lippincott, whose father, R. R. Lippincott, is retired assistant general manager at the home office of Western, will handle Wayne county and eastern Michigan with headquarters at Detroit. Hall Lippincott joined Western in 1938 and spent most of his time at Detroit, becoming manager there in 1953.

Ray E. Blum succeeds Mr. Lippincott as Detroit manager. He has been general adjuster there since 1952 and previously was at Flint and Dearborn.

W. Va. Agents to Meet Aug. 12-14

The program has been completed for the annual convention of West Virginia Assn. of Insurance Agents Aug. 12-14 at Greenbrier hotel, White Sulphur Springs.

The executive committee will meet in the afternoon of the first day, and there will be a past presidents' dinner in the evening.

Speakers at the general session Aug. 13 will be Bernard J. Daenzer, vice-president of Security-Connecticut, on mercantile block policies; P. A. McHugh of America Fore on multiple per diem dwelling policies; James P. White, advertising director of Maryland Casualty, "A New Look at Local Agency Advertising." In the afternoon the four speakers will form a panel to be moderated by Roy Thompson, national state director.

Speakers in the morning of the closing day will be Commissioner Gillyooly of West Virginia on the forthcoming recodification of insurance laws of the state and George Hanson, general counsel of NAIA, on general legislative problems in the business. An executive session will be held before the closing golf tournament and banquet.

Clyde E. Smith of Martinsburg, president, and Rosser Long of Charleston chairman of the executive committee, are in charge of the program. Thomas McHenry, secretary, is handling arrangements.

Texas Oil Tank Fire Will Cost Insurers \$500,000

Oil Insurance Underwriters, managed by John G. Simmonds & Co., New York, was on the Shamrock Oil & Gas Corp.'s \$75 million McKee refinery near Dumas in the Texas panhandle, where fire this week destroyed four huge petroleum tanks and killed 19 firemen and refinery workers. The property insurance loss is estimated at less than \$500,000. The fire started in a 15,000 barrel mixing container of pentane, which is a liquid under pressure that gasifies on contact with air and which is used in refining gasoline. After this device exploded with tremendous heat, other explosions followed. A railroad bridge 500 yards from the blast was burned out.

Miller Affiliation Incorrect

It was reported incorrectly in last week's issue that John Miller, formerly of the Chicago office of Excess Underwriters, had gone to the Houston office of that organization as assistant manager. Mr. Miller was appointed manager in the home office of Texas & Foreign Brokers at Houston, a Lloyds operation.

Arthur T. Lee, retired partner of Farrell & Co., importing and exporting firm, has been elected a director of Northwestern Mutual of Seattle.

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in local credit unions...and he happens to be the leading Life-in-Force man in our companies...as well as one of our top Fire producers. There's also Sterling W. Radcliff—well known by the members of the Library of Congress Federal Credit Union—and, during 1955, the number one casualty producer out of Nationwide's 4000 agents.

...just a few examples of how the Nationwide idea of "In Service With People" can be a key to individual achievement. Through our interest in co-ops, credit unions and other self-help groups, Nationwide Insurance continues to grow in the *cooperative* tradition...and our agents reap the twin benefits of increased *prestige* in their communities—and increased *production* in life, fire and auto.



L to R: Regional Sales Manager HENRY K. WESTPHAL and his top Life agents holding their Life Anniversary campaign plaques in recognition of \$100,000 life production during this one-month contest, ANTHONY M. MADDEN, \$255,000 (plus trophy as Sales Region's top Life Anniversary producer)...ROBERT H. GRIMES, \$120,800...GEORGE WIGGINTON, \$107,000...JOSEPH M. BOLAND, \$138,600...PAUL R. ASHBROOK, \$147,200...STERLING W. RADCLIFF, \$123,900 (plus trophy as Nationwide's top Casualty producer).



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Changes in N. E. for American Home

David L. Vigue has been named state agent of American Home and State of Pennsylvania to supervise the states of Maine, New Hampshire and Vermont, as well as Essex county and parts of Boston. Until recently, he was New England manager of American International Underwriters, affiliate

of American Home group. He joined AIU in 1952. Previously for 18 years he represented Great American and Phoenix of London in the New England area.

Richard P. Kenney, formerly special agent of American Home in Boston, has been advanced to state agent for the two companies. In addition to Boston, he will supervise central and northern Massachusetts and Rhode

Island. He entered the business in 1951, and after experience in the underwriting department of Fireman's Fund he joined American Home in 1952.

George H. Lord of Hartford, who has been special agent, will supervise Connecticut and the four western counties of Massachusetts as state agent for the group.

PPF Changes Okayed in Several States

The personal property floater rate and rule revisions of Inland Marine Insurance Bureau are now applicable in Alabama, Louisiana except for comprehensive dwelling policy portion, Maryland, Mississippi, New Mexico and Tennessee.

The revised loadings which will be effective as to policies issued on and after Sept. 1 in these states are, for the coverage brackets of \$5,000, next \$5,000, next \$10,000, next \$30,000 and excess of \$50,000, in Jefferson county, Ala., \$1.05, 55 cents, 25 cents, eight cents and eight cents. In Louisiana except three parishes, the loadings are \$1.50, 80 cents, 35 cents, 13 cents, and 13 cents. In Jefferson, Orleans and Plaquemines parishes, they are \$1.65, 85 cents, 35 cents, 12 cents and 12 cents. In Maryland the loadings in Baltimore city and county are revised to \$1.70, 90 cents, 40 cents, 13 cents and 13 cents. In Mississippi and Tennessee there are no loading changes, but in New Mexico the new loadings will be \$1.45, 80 cents, 30 cents and 12 and 12 cents.

Indiana Blue Plans to Buy 9-Story Building

Indiana Blue Cross-Blue Shield have purchased the nine-story Traction Terminal building in Indianapolis. Purchasing price of the transaction, which included the Terminal building and two smaller nearby buildings, plus the land, was not announced, but the Indianapolis Star described it as "one of the largest real estate deals in downtown Indianapolis in many years."

In Indiana, the Blue plans are issued by Mutual Hospital Insurance Inc. and Mutual Medical Insurance Inc., the actual names of the buyers. The Traction Terminal building, already half-occupied by Mutual Hospital and Mutual Medical on a rental basis, will serve as the plans' home office.

The organizations, which have been under fire recently for their refusal to pay the state's gross income tax, assessed on other domestic insurers, enjoyed a 1955 "profit" of \$3,400,000.

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Abandon Idea of Taxing Wash. Insured to Pay for Driver Education

Automobile Club of Washington has decided to abandon a proposal to tax automobile insurance policies 50 cents each for the purpose of financing driver education in the public schools. Directors of the club have approved a rough draft of a law which would have required driver education and embodied the insurance policy tax provision, but after conferences with insurance people decided to drop this approach. The auto club and the insurance men now appear to be agreed in sponsoring some form of driver education legislation in 1957, having in mind a provision that after Jan. 1, 1959, applications for drivers' licenses would not be accepted or issued to applicants between ages 16-18 unless they had been certified as having taken a course. Methods of financing the education program are still undecided.

Hartford A.&I. Promotes Fellow in Oklahoma

Hartford Accident has appointed L. J. Fellow assistant manager at Oklahoma City. He joined the company in 1948 as a special agent in Oklahoma after serving with Oklahoma Compensation Rating Bureau. Last year he received an award as the state's outstanding casualty field man from Oklahoma Assn. of Insurance Agents.

Walsh Is Counsel of Pa. Department

Commissioner Smith of Pennsylvania has appointed Charles V. Walsh, Philadelphia lawyer, associate counsel in the insurance department.

Wright Brothers local agency of Nyack, N. Y., has moved from 94 Main street to newly remodeled headquarters at Broadway and De Pew avenue. Raymond F. Wright and Joseph K. Wright, who is a director of New York State Assn. of Insurance Agents, formed the agency in 1925.

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Three Promoted in Cal. by Fireman's Fund

William H. Irby, Robert H. Williams and Blayne L. Asher have been promoted in the southern California department of Fireman's Fund group.

Mr. Irby becomes administrative assistant to Leonard T. Backus, resident vice-president and manager. He has been with Fireman's Fund since 1946 and is a past president of Marine Underwriters of Southern California. Mr. Irby has been assistant manager of the southern California marine department, and is succeeded there by Mr. Williams, who began his insurance career in 1949 and joined Fireman's Fund as a marine special agent in 1953. He is currently vice-president of Marine Underwriters of southern California.

Mr. Asher succeeds Mr. Williams as inland marine supervisor. He also started his insurance career in 1949, joining Fireman's Fund as marine special agent in 1954.

Bruce Advanced in Ky. by Security-Conn.

Joseph A. Bruce has been appointed claim manager at Louisville by Security-Connecut. He began his career in 1946 as a staff adjuster for Indemnity of North America. Two years later he was named claim manager at Oneonta, N. Y., by Hartford Accident. In 1950 he joined Security in New Haven as claims examiner and in 1955 advanced to superintendent of the compensation claim section.

House Increases Bond on Sergeant-at-Arms

The House has increased the banker's bond on its sergeant-at-arms from \$100,000 to \$250,000 due to an increased volume of business in his office which pays the salaries of members and House employees. Salaries were increased recently. The bond is being written by London & Lancashire.

Pacific Indemnity and Founders have been licensed in New York.

Chubb & Son Shifts Tucker to New York

J. M. Tucker, who has been in charge of the Seattle office of Chubb & Son since it was established in 1953, has been transferred to New York where he is assuming new duties in the fire department. The new Seattle manager is W. S. Bucknall, who has been assistant manager.

Robert E. Burrowes is being transferred by Chubb & Son from Chicago to Seattle in charge of fire operations. He has been with Chubb & Son since 1947, starting at New York and moving to Chicago in 1951.

More N. Y. Drivers Lose Licenses in First Half

More than 100,000 driver's licenses and registrations have been suspended by the New York Bureau of Motor Vehicles the first half of 1956. Less than 170,000 were revoked or suspended in the entire year of 1955. The total for the first six months of the year was 106,325, compared with 89,110 for the same period in 1955.

Revoked licenses numbered 8,840, compared with 7,250. Financial responsibility suspensions totaled 70,259, compared with 56,860. Suspensions for other causes, mainly violations or accidents, numbered 27,226, compared with 25,000. Revocations for drunken driving rose to 2,229, compared with 1,865. Leaving the scene of an accident revocations also rose from 520 last year, in six months to 619.


Point system revocations and suspensions of drivers classified as persistent violators because of an accumulation of points for traffic violations rose to 1,752 suspensions compared with 982 and 269 revocations as against 258.

Suspensions because of illegal use of junior operator licenses rose from 522 last year to 751 and revocations for this cause jumped from 80 to 166.

Gus. S. Worthman, president of American General of Houston, has been named chairman of the board of the newly organized Equity Annuity Life of Washington, D. C.

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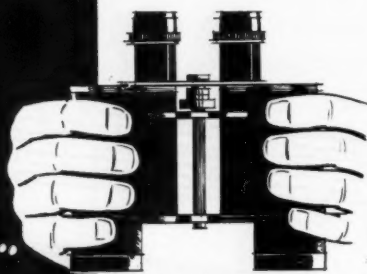
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Holdings Agent Can Accept Policy for Insured, But Cannot Cancel It

U. S. Court of Appeals for the 10th circuit decided a question of cancellation and automatic coverage in favor of the insured and claimant recently in *Western Casualty vs Lund*. The case turned largely on the double-barrelled proposition that an insurance agent, dealing as a broker with a company he did not represent, amounted to the agent of the insured for the purpose of accepting delivery of a policy, but not for the purpose of returning the policy for cancellation.

Sprague, the insured, bought an automobile through a finance company. Edwards, an agent who also had an interest in the finance company, issued automobile insurance to Sprague in Standard of Tulsa, which he represented, with 5/10/5 limits. About a month later, Sprague told Edwards his employer required him to carry 50/100 BI. Edwards promised to take care of this and committed himself to do so by a letter addressed "To Whom It May Concern" which he told Sprague to give his employer. Edwards then realized that Standard would not write those limits for an insured of Sprague's age, so he asked Arnold, another agent, to get this coverage for Sprague. Arnold wrote this insurance in Western Casualty and mailed the policy to Edwards. The original policy, in Standard, had never been delivered to Sprague, being kept in the files of the finance company, and Edwards put this through for cancellation.

After Edwards received the Western Casualty policy, he discovered that Sprague's automobile had been repossessed by the finance company for non-payment of his installment obligations. Edwards then returned the Western Casualty policy to Arnold for cancellation. It had never been delivered personally to Sprague and no one notified Sprague of this cancellation.

Sprague meanwhile acquired another automobile and a very short time later traded this in for a third car. The opinion does not indicate whether any financial institution was involved in these two transactions, nor whether any attempt was made to obtain insurance on either of these cars. About three weeks after the effective date of the Western Casualty policy, Sprague had a serious accident with the third car, injuring Lund, who sued him and his employer. Western Casualty, being called upon to defend Sprague and his employer in this damage suit, brought a declaratory judgment

New Hampshire Names Carlton Casualty Chief in Chicago

New Hampshire Fire has appointed Russell W. Carlton casualty branch manager at Chicago in charge of casualty and bond operations in the midwest.

He was with Travelers from 1937 to 1942 and since then has been in charge of casualty and bond operations of Security-Connecticut in Chicago.

Clarksdale, Miss., Exchange Elects

Clarksdale, Miss., Stock Insurance Exchange has elected O. Shaw Johnson president, Lloyd Y. Mitchell vice-president and Robert E. Bobo Sr. secretary.

James K. Putnam has been named manager at Columbus for Manufacturers & Merchants Indemnity of Cincinnati.

Insurance Women of Midland (Tex.) heard a discussion of adjustment and settlement of insurance claims by Charles M. Floyd, claims manager of Floyd West & Co., at their July meeting.

ment action against Lund, Sprague and Sprague's employer, asking for a decree that its policy had been cancelled and that it was under no obligation to provide coverage. Standard was later brought in as an additional defendant.

U. S. district court, in which the declaratory judgment action was started, held the policy of Standard was effectively cancelled, but that the Western Casualty policy was in effect and the appeals court affirmed this. The opinion of Chief Judge Bratton held that Edwards was the agent of Sprague in obtaining the Western Casualty policy and delivery to him constituted delivery to Sprague, but that, while Edwards "was authorized to act as agent or broker for Sprague in obtaining a policy of insurance for the increased amounts . . . he was not expressly authorized to cancel the insurance after it was issued." The opinion also points out that the automatic coverage provision of the policy made it cover any newly acquired automobile provided the insured notified the company within 30 days of delivery, and that the action in question occurred within that period.

The apparent moral of this case is that notice of cancellation should have been sent to Sprague. Since the accident occurred more than 10 days after the attempted cancellation, but less than 30 days after that time, there apparently would have been no coverage had this been done.

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Innocent Victim Cover Is Effort to Solve Public Problem in Insurance Way

The innocent victim coverage of Fireman's Fund group now has been approved in 16 states. In view of the likelihood that considerably more effort will be made in legislatures in 1957 to put through compulsory auto bills, now that New York has adopted one, the Firemen's Fund form has attracted considerable interest, along with the uninsured motorist endorsement in use in New York.

The innocent victim automobile coverage is described as being broader and more complete than the unsatisfied judgment cover written by several other companies and introduced a few years ago. The contract may be written as endorsement to automobile liability policies of Fireman's Fund group or as a separate policy. It provides coverage for unsatisfied judgments for bodily injury claims awarded in court actions, BI claims resulting from hit-run accidents, and in many cases BI claims which have resulted in settlements or arbitration without the expense of court action. UJ policies for the most part are limited to payment of damages after a court judgment has been obtained.

The coverage goes somewhat beyond that provided by the UM endorsement in New York. The New York form reaches for a solution to the problem of the financially irresponsible motorist by taking over on his behalf. But the Fireman's Fund coverage seeks to solve the problem by providing benefits for the innocent victim. While the end result sought is much the same, under the UM endorsement it is necessary to identify the offending motorist who is uninsured. In addition, the UM coverage is available only by endorsement to an automobile liability policy. The innocent victim form provides coverage for named insured, spouse or minor children or either residing in the insured's household and may be purchased as an endorsement to an automobile policy issued by one of the Fireman's Fund group, or may be purchased as a separate policy by a non-owner of an automobile or by any person insured elsewhere.

The innocent victim coverage extends to injuries caused by stolen automobile or one driven without the consent of the owner. It applies to claims arising out of accidents caused by out of state drivers whose bodily injury limits are less than those required under the financial responsibility law in the state in which the accident occurs.

The coverage is effective when any insured is killed or injured by another automobile, not owned or operated by insured or family defined in the contract, when driving or riding in his own car, company or hired car, while hauling a trailer, or when he is a pedestrian—provided the other owner or driver is negligent.

Only one premium is charged, regardless of the number of cars owned by insured. The premium for the endorsement is somewhat smaller than that for the separate policy. In Iowa, Nebraska, Ohio and Pennsylvania the endorsement charge is \$3 and the separate policy charge is \$5 for one year and \$12 for three years, for 5/10 limits. In Delaware the charge is \$3 for the endorsement, \$5 and \$12 for the policy, for 10/20 limits.

In Indiana, Colorado, Montana and California the endorsement charge is \$4 and the policy charges are \$6 and \$15 for 5/10 limits.

In New Hampshire the charges are \$4, \$6 and \$15 for 10/20, in Nevada and Oregon \$5 and \$7 and \$18 for 5/10 limits, in Vermont \$5 and \$7 and \$18 for 10/20, in Washington \$6 and \$8 and \$21 for 5/10, in Maryland \$7 and \$9 and \$24 for 10/20 and in Connecticut \$11 and \$13 and \$36 for 20/20.

The coverage has been declined by the departments in Illinois, Michigan, Minnesota, Georgia and Texas, though the first three states still are in correspondence. Usual reason for declination is a determination as to whether the coverage is accident or liability insurance. Texas consistently approves one form for all companies, and that state has not yet decided which form, if any, it will accept.

The coverage is relatively new and claim experience is not yet extensive.

However, one early purchaser of innocent victim insurance in California was struck broadside by a negligent driver without insurance or financial responsibility. Insured and his wife were seriously injured and spent weeks in a hospital. Unsuccessful efforts were made to recover damages from the negligent driver. Insured and his wife each received \$5,000 from Fireman's Fund, without the necessity of obtaining a court judgment. This was in return for a \$4 premium, and proved

(CONTINUED ON NEXT PAGE)



"SAFECO has produced a flood of new auto business"

says William H. McLean, manager,
Mortgage Loan and Insurance Agency,
Little Rock, Arkansas.

"Two and half years ago, we wrote our first SAFECO policy. Since then we have become a leading auto insurance producer in the state. The loss of renewal business to all other carriers has been rare—and our use of SAFECO has produced a flood of new business, much of it coming from the direct writers," says Mr. McLean. "... the SAFECO way has so many advantages over the old way that we have never even considered returning to an antiquated system."

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I am interested in getting the facts on SAFECO.

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City Zone State

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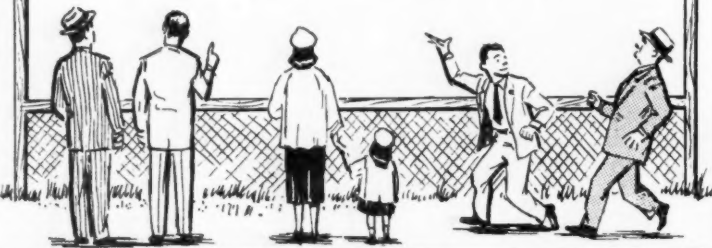
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to be a solution to the problem of the financially irresponsible motorist in this case.

Though the form was developed by Fireman's Fund group, the group has invited other insurers to use the form and the descriptive title which has been given the coverage.

The purpose here, of course, is to give the public a means of protecting itself against the irresponsible, negligent motorist, without resorting to compulsory or other so-called relief by legislation. The estimated traffic toll for 1956, based on first quarter results, is 42,130 dead and 2,373,500 injured.

Today, the business, especially the producers of the country, are looking for a means of providing the public with a solution to its problem without drifting further toward legislative attempts to solve the problem, such as compulsory, unsatisfied judgment fund, and possible compensation programs.

The weakness in financial responsibility laws is that they allow the first bite. They do not apply to out-of-state cars, which may run as high as 10%. They do not apply to hit-and-run drivers, who cannot be identified, or stolen cars, or those used without permission of the owner, or cars not registered, or those improperly registered or operated without insurance. The business generally opposes compulsory and the UJF. For one reason, compulsory fosters automatic claim making, which naturally increases insurance costs. There is a tendency also to increase accidents as well as claims, by eliminating the restraining influence of at least one element, the economic one, from the motorist's shoulders. The idea of reducing claims rising out of automobile accidents to a compensation schedule is abhorrent to the business. The elimination of responsibility for tort eliminates much of the necessity for careful investigation, which in turn increases fraud and malingering.

The innocent victim coverage of Fireman's Fund is a serious effort to fill a gap in the present situation and at the same time to provide an insurance solution to a problem that mounts with the automobile population and the growing claim consciousness.

Fla. Changes Date of Legislation Hearing

Commissioner Larson of Florida changed from July 27 to August 10 the date for the discussion of proposed insurance legislation at the department in Tallahassee to allow additional time for research in the preparation of material for presentation. Proposals to be discussed will be presented to the 1957 legislature.

The eastern offices of Pacific National, Manufacturers Casualty and Paramount Fire have been moved to the Mall building in Philadelphia.

Estimate \$600,000 Insured Loss in Two N. J. Blazes

Insured loss in a fire that burned through the headquarters of the Grand Union Co., eastern seaboard food chain, in East Paterson, N. J., was estimated at \$500,000. Insurers, all of them mutuals, suffered an estimated \$100,000 loss in another East Paterson fire, July 12, that leveled the one-story building of Del Roy Speed Parts Co.

The blaze at the Grand-Union started in the basement of the eight-story combination office and supermarket on Route 4. Before the eight-hour fire was quelled, seven firemen were hospitalized and 50 others were treated for smoke poisoning.

The food chain had \$3 million worth of insurance on the building itself, all with stock companies. Contents were insured by mutual companies on a reporting form basis. Stock companies also wrote rent insurance on some 10 tenant stores in the same building.

Of the \$500,000 total loss, it was estimated that the stock companies will be liable for \$200,000. There was no U&O cover.

Lansing P. Shield, president of the company, reopened the Grand Union retail store under a big top tent pitched in a parking lot in front of the store, after the local government granted tentative permission for the tent sales.

Insurance Opposition to SS Bill Reflected in Amendment Vote

The report in the July 19 issue that the social security bill passed the Senate by a vote of 90 to 0 may have been a little discouraging to insurance interests who worked hard to oppose the measure.

In order to avoid giving a false impression as to the effectiveness of the opposition, however, it is important to point out that the George amendment which dealt directly with the insurance aspects of the bill passed by a vote of only 47 to 45.

Toensmeier Opens New York Office

Toensmeier Adjustment Service of Philadelphia has established an office at 18 John street in New York and named Harry J. Kypke as manager. The company now has 12 branch offices.

Scibal Opens Pa. Unit

Scibal Adjustment Bureau has opened an office in the Manhattan building in Philadelphia which will serve eastern Pennsylvania and New Jersey. The bureau has also appointed A. N. Sibick loss manager for fire and allied lines, including business interruption. He was formerly with General Adjustment Bureau.

Flint Claim Service has moved its office to 2630 Corunna Road and has increased its facilities with the installation of a two-way radio, emergency office space and emergency stand-by telephone service.

THERE'S ALWAYS A WAY OUT!

Going around in circles regarding Agency-Company policy can be a frustrating experience. That's why Northern always says—Northern is an Agency Company . . . first, last and always! Northern Agents know where they're going—their security is our most important consideration.

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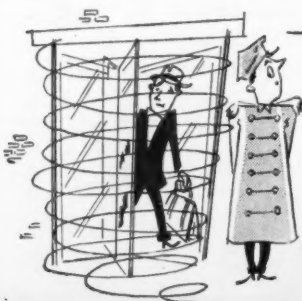
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INSURANCE SERVICE CO.
P. O. Box 275 Joplin, Mo.



Travelers Granted Hartford TV Okay

WASHINGTON—Federal Communications Commission, after three years of hearings, has granted Travelers Broadcasting Corp. a permit to construct a new commercial TV station in Hartford. FCC denied a permit to Hartford Telecasting Co., which had contested Travelers for the channel.

There may be some delay in the actual construction of the TV station because the matter of which channel is to be assigned to Hartford is now under review in another proceeding.

FCC found that neither applicant had sustained its major charges against the other and neither applicant merited a preference on several scores, including proposed studios and facilities, program policies and proposals, or the presentation of TV at an earlier date.

Hartford Telecasting, FCC found, merited a preference on diversification of business interests and on diversification of ownership of control of mass media for communication. On the other hand, Travelers is entitled to preferences based upon a meritorious record of past performance, the experience of its principals, their local residence and civic participation of its principals. The commission believes that a meritorious record of past performance is a reliable indication that proposed policies will be effectuated.

One of FCC's considerations involved "the irresponsible charges made by Telecasting against the principals of Travelers Broadcasting Service Corp. a fact that reflects adversely upon the applicant making such charges."

New Okla. Insurance Code Passes First Test

The revised Oklahoma insurance code has been approved by the state legislative council's insurance committee and will be submitted to the executive committee at a meeting Sept. 20 at Tulsa.

The code has been under revision for nearly a year and in its new form will run about 275 printed pages. Among the features are tightening of the license law to require all persons to take written examinations for agents' licenses. Another change would earmark 3% of the present gross premium tax for a special insurance department fund, with a limit of \$200,000, the excess going to the state general revenue fund. The \$200,000 would form the basis for the department's annual appropriation. Enactment of the code at the next legislature is considered reasonably certain.

Hold Minn. Fire Prevention Meet

Several insurance executives were speakers at the governor's statewide fire prevention conference at Minneapolis.

J. E. Hanson, president of American Hardware Mutual, presented an introduction to the day-long session. Other speakers were Commissioner Sheehan; Jay W. Stevens of San Francisco, assistant

manager of National Board; Richard E. Vernor, fire prevention department manager of Western Actuarial Bureau and chairman of National Fire Protection Assn., and I. J. Erickson, deputy commissioner.

Begins National Ad Series

American Hardware Mutual of Minneapolis have begun a national advertising campaign with a two-page spread in *Time* magazine. The company will run 12 insertions of two-page ads in *Time* and smaller ads in between. The initial advertising will stress prompt payment of claims.

Hawkeye-Security Has Increase in First Half

Hawkeye-Security reported a 10% increase in gross premiums written for the first six months of the year.

Premiums for the first half of 1956 were \$6,011,773 as compared with \$5,428,818 for the corresponding period in 1955.

Interprets Ohio FR Law

The Ohio attorney general has ruled that under provisions of the motor vehicle financial responsibility law, it

is the mandatory duty of the state registrar of motor vehicles to require a deposit of security necessary to satisfy any judgment for damages resulting from accidents. This security must be deposited regardless of any reimbursement which drivers involved in the accident may receive from their own collision coverage.

Frederick J. England Jr. has joined the W. B. Hastings & Co. general agency of Cambridge, Mass. His father, Frederick J. England Sr., president of the agency, is state national director of Mass. Assn. of Insurance Agents.

HOW MUCH HONESTY INSURANCE?

QUICK, SIMPLE AND CONVENIENT

Another part of American Surety's Program to help Agents increase their Employee Bond business.

ANSWERS

the Agent's most perplexing question:

HOW MUCH EMPLOYEE BOND COVERAGE SHOULD I RECOMMEND?

Now you can state with authority the minimum amount of employee bond protection that *any* employer should have. Now you can approach with confidence *the 9 out of 10 businesses that NEED this vital protection but have not yet bought it*. The simple "Exposure Index" in this new booklet quickly shows you the amount.

This unique booklet is the result of a Surety Association survey of *ten years* of employee dishonesty in all lines of business. A handy table of actual losses gives you convincing proof of the results of *under-insurance* on employees among firms comparable to the one you're selling at the moment.

To learn how this important new booklet can help you develop employee bond business, mail the coupon below to our nearest Branch Office, or to our Agency Department at the home office, 100 Broadway, New York 5, N. Y. We will also outline our other business-getting helps and the many services American Surety fieldmen can offer you. Get your share of the large—and largely untapped market for employee bonds. Send the coupon now!

ACTUARY-CASUALTY OR LIFE—Prefer fellow but will consider one well advanced in exams. Stock casualty-Fire-Life group. Fine company —to age 40. **\$12,000 to \$14,000.**

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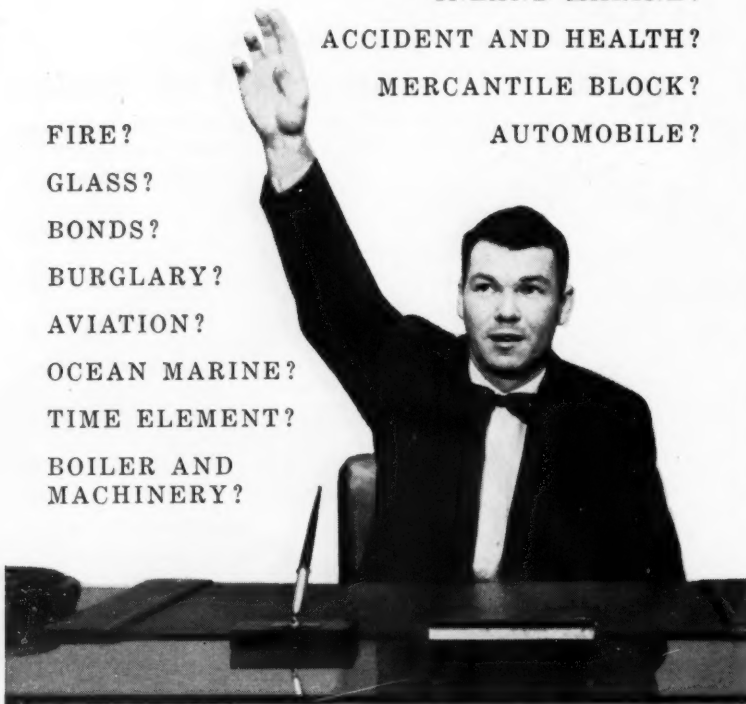
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COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

Convention Dates

Aug. 8-10, Alaska Assn. of Insurance Agents, annual, Fairbanks.
Aug. 12-15, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.
Aug. 16-18, Louisiana Assn. of Mutual Insurance agents, annual, Edgewater Gulf Hotel, Edgewater Park.
Aug. 19-24, Blue Goose Golden Anniversary Convention, Schroeder hotel, Milwaukee.
Aug. 20-21, South Dakota Assn. of Insurance Agents, annual, Cataract hotel, Sioux Falls.
Aug. 20-22, International Federation of Commercial Travelers, annual, The Greenbrier, White Sulphur Springs, W. Va.
Aug. 22-24, Federation of Insurance Counsel, annual, Shamrock hotel, Houston.
Aug. 23-25, Texas Assn. of Mutual Insurance Agents, annual, Ft. Worth.
Aug. 26-28, Wyoming Assn. of Insurance Agents, annual, Jackson.
Aug. 30-Sept. 1, Montana Assn. of Insurance Agents, annual, Helena.
Sept. 5-7, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.
Sept. 6-7, Minnesota Assn. of Insurance Agents, annual, Hotel Duluth, Duluth.
Sept. 9-11, Washington Assn. of Insurance Agents, annual, Davenport hotel, Spokane.
Sept. 9-12, Idaho Assn. of Insurance Agents, annual, Sun Valley.
Sept. 10-11, Vermont Assn. of Insurance Agents, annual, Middlebury Inn, Middlebury.
Sept. 10-11, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.
Sept. 10-12, New Hampshire Assn. of Insurance Agents, annual, Crawford House Club, Crawford Notch.
Sept. 12-14, Maine Assn. of Insurance Agents, annual, Samoset hotel, Rockland.
Sept. 12-14, Society of CPCU, annual, Cincinnati.
Sept. 12-14, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Sept. 16-18, Insurance Federation of North Dakota, annual, Bismarck.
Sept. 17-18, Minnesota Assn. of Mutual Agents, annual, Leamington hotel, Minneapolis.
Sept. 17-19, International Claim Assn., annual, Hotel Chamberlain, Old Point Comfort, Ft. Monroe, Va.
Sept. 17-20, National Assn. of Insurance Agents, annual, Waldorf-Astoria, New York.
Sept. 18-21, Mutual Loss Managers' Conference, Hotel Statler, New York.
Sept. 24-25, Utah Assn. of Insurance Agents, annual, Salt Lake City.
Oct. 1-3, Wisconsin Assn. of Insurance Agents, annual, Schroeder hotel, Milwaukee.
Oct. 7-9, Pennsylvania Assn. of Insurance Agents, annual, Bedford Springs hotel, Bedford Springs.
Oct. 7-10, National Assn. of Casualty & Surety Agents, annual, White Sulphur Springs, W. Va.
Oct. 7-10, National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs, W. Va.
Oct. 11-12, Nebraska Assn. of Insurance Agents, annual, Hotel Cornhusker, Lincoln.
Oct. 14-16, Missouri Assn. of Insurance Agents, annual, Hotel Statler, St. Louis.
Oct. 14-17, Federation of Mutual Fire Insurance Companies, annual, Sheraton-Gibson hotel, Cincinnati.
Oct. 14-17, National Assn. of Mutual Fire Insurance Companies, annual, Sheraton-Gibson hotel, Cincinnati.
Oct. 15-17, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
Oct. 15-17, Ohio Assn. of Insurance Agents, annual, Cleveland.
Oct. 16, North Dakota Assn. of Insurance Agents, annual, Eagles Club, Bismarck.
Oct. 16-17, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
Oct. 17-19, Insurance Accountants Assn., annual, Hartford.
Oct. 19-20, South Carolina Assn. of Insurance Agents, annual, Ocean Forest hotel, Myrtle Beach.
Oct. 21-23, Insurers of Tennessee, annual, Noel hotel, Nashville.
Oct. 21-23, Maryland Assn. of Insurance Agents, annual, Lord Baltimore hotel, Baltimore.
Oct. 22-23, Arizona Assn. of Insurance Agents, annual.
Oct. 22-24, National Assn. of Mutual Insurance Agents, annual, Shoreham hotel, Washington, D. C.
Oct. 22-24, Western Underwriters Assn., annual.
Oct. 25, American Institute of Marine Underwriters, annual, New York.
Oct. 28-30, Kansas Assn. of Insurance Agents, annual, Broadview hotel, Wichita.
Oct. 28-30, Illinois Assn. of Insurance Agents, annual, Springfield.
Nov. 7-9, Michigan Assn. of Mutual Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Nov. 8-9, Illinois Assn. of Mutual Insurance Agents, annual, Kaskaskia hotel, La Salle.
Nov. 11-13, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.
Nov. 16-17, Kansas Assn. of Mutual Insurance Agents, annual, Jayhawk hotel, Topeka.
Nov. 26, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach hotel, Chicago.
Nov. 26-28, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.
Dec. 3-7, National Assn. of Insurance Commissioners, semi-annual, di Lido hotels, Miami Beach.

"May I Have A Word With You?"

Last month we had a meeting of ten of our top agents at the home office.

We asked them what we could do to make our policy forms even more competitive.



MR. JONES

A lot of people think that home office underwriters are the ones that should originate and revise policy forms. Not so at Buckeye Union. We believe our agents are in the best position to tell us what is needed to make our policies even more salable.

As a result of this meeting, we are currently revising many of our policies.

The Lawyer's Liability coverage, for instance, has been broadened to the point where it is the leading contract available. Other policies have been, or are going to be, revised, too.

Last March a new Combination Service Station policy was introduced. It's made a big hit with our agents and their insureds. The coverages are broader and the rates have been reduced. We've received a lot of compliments on this new form. But, even better, our agents have been selling a lot of these policies.

If you saw the Ohio figures for 1955 you know Buckeye Union is the top-producing stock company in the state. We're going to keep it that way.

We're going to broaden our policies, and keep our top commission schedule. We're going to continue producing effective sales aids, and we're going to maintain the same personal relations with each agent.

Our agents are helping us stay on top. We're helping them maintain and place new business on the books.

If you'd like to represent our two fast-growing capital stock companies, contact our superintendent of agencies. We are currently operating in Indiana, Pennsylvania, Michigan, West Virginia and Kentucky as well as Ohio.

F. E. Jones
PRESIDENT

BUCKEYE UNION INSURANCE COMPANIES

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Many Types of Cover Needed for Seagoing Vessels, Holden Explains in Article

The many types of marine insurance for seagoing vessels are simply and pointedly explained by Rear Adm. Edward C. Holden Jr., president of U.S. P&I Agency, New York, in an article "Laws a Master Must Know," in *Marine News*, publication of the maritime industry.

Marine insurance includes coverage of the cargo by the shipper and insurance of the ship by the ship owner, the article points out. It is based on the utmost good faith of the contracting parties by custom, tradition and practice. Insured must disclose every material circumstance which he knows, or which, in the ordinary course of business, he ought to know, before the policy contract is closed or renewed.

As a general rule, Mr. Holden notes, only losses or damages of an extraordinary character are insured against. Early marine policies covered merely perils of the seas. Modern marine insurance is designed to cover both the risks "of" and "on" the seas.

When a total loss occurs it may be either actual or "constructive." Where the subject matter is destroyed, or so damaged as to be no longer a thing of the kind insured, or where insured is irretrievably deprived of it, there is an actual total loss.

A "constructive" total loss arises when the character of the loss is such that insured has reasonable grounds for giving up the voyage completely. The American rule, in the absence of other provisions, permits the damage to a vessel to be construed as a constructive total loss when the estimated cost of salvaging the vessel and repairing the damage amounts to more than 50% of the repaired value. The British rule is that there is a constructive total loss where the vessel cannot be salvaged or where the cost of salvage and repairs exceed the value of the vessel when repaired. When there is a constructive total loss, insured may either treat it as a partial loss, or abandon the subject matter insured to the insurer and treat the loss as if it were an actual loss. If insured elects to abandon, he must give notice of abandonment to the insurers within a reasonable time after he learns of the loss.

When it is known whether a loss is a partial one, it is important to learn whether the loss is particular average or general average. If the former, the loss falls where it lies and if the subject matter is insured the insurers must indemnify insured to the extent of his loss; if it is a matter of general average, the question of contribution arises, and in arriving at the sum the insurers must pay insured. The liability of the other parties, who have benefitted by

the sacrifice or expenditure of insured, must be fully considered.

General average, as defined by the Supreme Court, is "a contribution by all parties in a sea adventure to make good a loss sustained by one of their number on account of sacrifices voluntarily made of part of the ship or cargo to save the residue and lives of those on board from an impending peril, or for extraordinary expenses necessarily incurred by one or more of the parties for the general benefit of all the interestes embarked in the enterprise."

The basis of general average is the existence of a "real peril," Mr. Holden explains. It must be one which threatens the whole adventure and there must be a sacrifice, such as part of the cargo, in order to save the remainder of the cargo. When the master of a burning ship put into an uncharted bay in order to extinguish the fire and the ship was damaged by running on a shoal despite the taking of soundings to avoid such a happening, the loss by running aground was allowed in general average.

The extent of general average sacrifices of a vessel is determined by expert surveyors. The proportion of losses due to sacrifices is decided by expert average adjusters. It includes a general average expenditure as well as a general average sacrifice. There is a general average act when any extraordinary sacrifice or expenditure is voluntarily and reasonably made in time of peril, for the purpose of preserving the property imperiled in the common adventure.

This is in contrast to a particular average loss, which is an accidental loss that concerns only the owner of the property damaged and, if it is insured, his insurers. For example, if, in a mixed cargo, including copra from the Philippines and silks from Japan shipped to New York, the copra catches fire while on the voyage, and in the course of extinguishing the fire the silk is damaged by water, the copra has suffered a particular average loss (for the loss was sustained by it but in no way as a sacrifice for the common good), while the silk has sustained a general average damage, since the water was used to put out the fire and save the entire venture.

The measure of indemnity in ocean marine is the sum which insured can recover on a loss under a policy by which he is insured. In the case of a "valued" policy, this sum is the full extent of the value fixed by the policy; in the case of an unvalued policy, the sum is the full extent of the insurable value. No difficulty arises when the loss is total, Mr. Holden explains.

However, when the loss is partial, special rules are applicable. If it is the ship which is damaged but not totally lost, the measure of indemnity is:

1. If the ship has been repaired, insured is entitled to recover the reasonable cost of repairs less customary deductions, but not exceeding the sum insured in respect to any one casualty.

2. If the ship has been only partially repaired, insured is entitled to recover the reasonable cost of repairs and to be indemnified for reasonable depreciation arising from the unrepaired damage, provided that the aggregate amount does not exceed the cost of repairing the whole damage.

3. If the ship has not been repaired and not been sold in a damaged condition, insured is entitled to be indemnified for the reasonable depreciation arising from the unrepaired damage, not exceeding the reasonable cost of the repairs which are not carried out.

The word "ship" in the above instances includes machinery, boilers, fuel, etc.

In marine insurance, the rights of an insurer are often of considerable value after he has indemnified insured for loss because of the principle of subrogation, the article explains. When an insurer pays a total loss, he generally takes over the interest of insured in whatever remains of the subject matter, and he is thereby subrogated to all the rights and remedies of insured with respect to the subject matter causing the loss. When the insurer pays a partial loss he does not acquire title to the subject matter, but he is subrogated to all rights and remedies of insured in respect to the subject matter, from the time of the casualty, as far as insured has been indemnified by payment for the loss.

For example, in cases where an insurer has settled a claim for loss or damage to cargo with his insured, under a cargo policy, the insurer may institute legal proceedings or make a claim against the shipowner in the name of insured, under the law of subrogation, for the full amount of the claim if such cargo loss or damage occurred through any fault or negligence on the part of the shipowner, his officers or servants to exercise due diligence in the care and custody of such cargo.

Hull policies are in two classes—voyage and time policies. Hull voyage policies cover a given trip which is usually specified as beginning at a specific port, extending possibly to one or more intermediate ports, and ending at a specified time after the arrival of the vessel at a designated port of destination.

Time policies are not limited geographically, they attach at a stated date and continue in force for a stated period of time, with a customary provision for automatic renewal for a

(CONTINUED ON PAGE 16)

Guide Offers Answer to Windshield Replacement Problem

When should a damaged windshield be replaced under comprehensive coverage?

One answer to the \$100 question has been provided by a group of claim managers and technical experts from Pittsburgh Plate Glass Co. in the form of a guide which has proven successful as an educational tool in the hands of local agents and adjusters.

William P. Henderson, president of Henderson Tire Co. of Detroit, arranged the meeting which formulated the guide. He called it an attempt to eliminate being put "on the spot" by insurance companies and adjusters when they asked his company to decide when a windshield should be replaced if it had minor damage. The group considered two major factors in determining logical interpretation of the coverage for the frequent surface damage which occurs between the extremes of outright breakage and the many fine stone nicks accumulated over a period of time, which might be classed as normal wear and tear. The first factor was to provide a uniform answer to what should be replaced and the other was to correct bad practices that cost insurance companies thousands of dollars, such as replacement of glass on new cars with strain cracks—a car manufacturer's liability—and cash settlements at the time of a car trade-in (when the glass is not replaced or paid for again by another company when the used car was again insured).

The guide produced as a result of the meeting follows.

—Broken windshield subject to replacement:

This includes glass that is shattered, cracked, either inside or outside sheet of glass, or glass with a star break. A star break is one which is vented. It has cracks radiating from the point of impact, generally in a star shape. As a rule, it is but a short time before the cracks continue across the glass. Windshield damage by sand storms, where vision is greatly reduced, is, of course, covered.

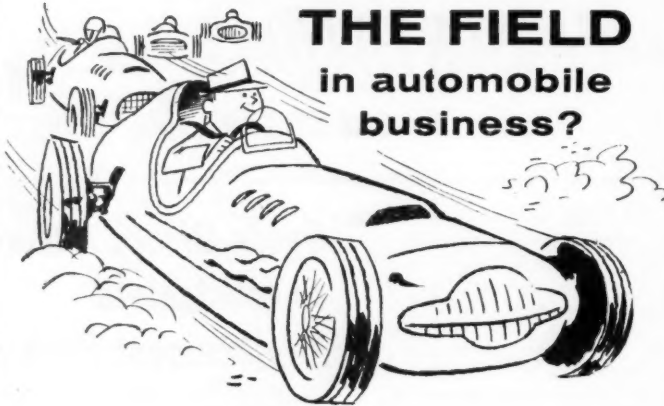
—Only two conditions under breakage bear checking:

On new cars, less than 90 days old, a windshield with a strain crack should be referred to the selling dealer with every effort being made to replace it under car manufacturer's warranty. (Strain cracks show no point of impact and are generally the fault of improper mounting).

On old cars, where discoloration appears along the edges of the cracks, which indicates old breakage, it would be advisable to check the effective date

(CONTINUED ON PAGE 21)

are you LEADING THE FIELD in automobile business?



You can be 'way out in front in the race to sell automobile insurance—if you can offer your customers the new Zurich-American Merit Automobile Policy for individually-owned private passenger cars.

Broader coverage, one-third fewer words, bigger type for easier reading—plus a new installment premium plan with *no carrying charge**—these advantages combine to give you the policy you need to meet and beat today's tough competition. And besides, the Zurich-American Merit Classification Plan—available in most states—enables you to offer lower rates to safe drivers.

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Holden Explains Types of Marine Cover

(CONTINUED FROM PAGE 15)

given period in case the ship should be on a voyage at the expiration of the insured term. Time policies are almost always limited to one year. In the great majority of cases, ships are insured for hull risks under time policies and it is customary to specify either Greenwich mean, or Washington, time. In practice most time hull policies are renewed well before expiration date.

The standard American Institute time hull policy, is a valued policy which notes the insured valuation in two parts—the hull, tackle, apparel, passenger fittings, equipment, stores, ordnance, munitions, boats and other furniture, and the boilers, machinery, refrigerating machinery, and insulation and everything connected therewith. Donkey boilers, winches, cranes, windlasses, steering gear, and electric light apparatus are deemed to be part of the hull and not the machinery. These separate valuations are necessary because of the large values involved in passenger, cargo and tank ships, Mr. Holden explains.

The chief conditions on which the validity of the policy depends are name of insured, name of ship, perils insured against, voyage or period of time, sum insured, name of insurer and premium amount due.

Clauses give insured all privileges necessary for normal management and operation of the vessel, require notice of loss be given insurers before survey when possible since insurers may designate the port of repair and can require insured to advertise the repair job for bids or do so themselves. Another clause allows a rebate of 30% of the daily premium in cases where a repair tender is accepted with the insurer's approval, pending final acceptance in order to induce quick action; and a deduction of 15% of the claim is assessed for failure to comply with the conditions of the clause. Another requires insured to present proof of loss and proof of interest in order to make a claim. A breach of warranty clause is included so that it does not affect the validity of the policy in regard to innocent third parties, such as mortgagees, who may have accepted the policy without notice of such breach.

The clause listing perils insured against includes perils of nature such as sea and fire, those associated with the misconduct of persons on board the vessel such as jettison (the throwing overboard of cargo or ships gear in time of distress or other emergency caused by perils of the sea) and bartrary (wrongful acts wilfully committed by the master or crew to the prejudice of the owner or charterer, such as scuttling the ship, destroying or injuring the vessel, setting fire to the vessel, abandoning it without sufficient cause, embezzlement of cargo, violation of blockade, etc.). Also, perils arising from the misconduct of enemies, pirates, men-of-war, etc.; and all other perils, losses and misfortunes that have or could damage the vessel or cargo.

Another clause covers insured for expenses incurred in discharging his

duty to "sue, labor and travel" to protect the ship and cargo from further damage after loss has occurred. Another provides for arbitration of salvage claims where other ships belonging to the same owner are involved. Other clauses are general average, salvage and special charges, limitation of underwriters' liability in salvage cases, total and constructive total loss, American Institute trade warranties, the collision clause, the free from capture and seizure clause and the policy warranted free from particular average.

The latter clause exempts insurers from liability for repair of partial damage under 3%, or unless amounting to \$4,850. This is not applicable in cases of stranding, sinking, fire, collision with another ship, general average and sue and labor expenses when damages are collectible in full up to the amount of the policy. Also, the cost of drydocking for bottom examination after stranding is collectible from insurers, even though no damage is found when the ship is examined. Certain places such as the Panama canal, Suez canal, Manchester Ship canal, Danube river, etc., are excluded from the provisions of this exception. Accidents which are subject to the franchise include those caused by heavy weather, negligence of the master, officers or crew, damages to insured's vessel due to collision with wharves or other fixed objects, latent defect, lightning, ice, explosion, etc.

The free from capture and seizure (F.C.&S.) clause exempts underwriters from liability for what are mainly war risks.

The collision clause specifies the basis of settlement of claims arising from collision between vessels in which either or both ships are damaged and either is wholly or both are partly at fault. It provides for arbitration under certain conditions and extends coverage to the cargo on the other vessel if the collision is due wholly or partly to the fault of the insured ship. It does not extend coverage to cargo on the insured ship or coverage for loss of life and personal injury, which are covered by P. & I.

Much litigation has resulted from the lack of a completely satisfactory definition of the word "vessel" in connection with the collision clause. Courts have held that collision with another ship's anchor chain is a collision between ships, but collision with floating wreckage is not. Collision with a floating crane which is towed from place to place is a collision between vessels, but if the crane is permanently moored it is not a vessel.

In cases of cargo damaged in collisions, under American law if both vessels are at fault the cargo owner recovers the full amount of his loss from the other vessel. The vessel not carrying the cargo then adds the amount which it has paid the cargo owner to its own damages and recovers 50% of the total from the carrying vessel.

P. & I., basically, covers claims

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against the ship for cargo shortage and damage, illness and injury of passengers and crew and collisions with all objects except other vessels, where such claims are liabilities of the vessel through fault or negligence.

A feature of P. & I., which is in more general use than it is in hull insurance, is a deductible in varying amounts for the different types of claims covered, and varying between shipowners in accordance with their needs. The general trend recently, the article states, has been to increase the deductibles substantially.

P. & I. is less formalized than hull cover. It covers loss of life or personal injury, excludes compensation to employees of insured except seamen, provides liability for hospital and medical expenses for loss of life, personal liability for hospital and medical expenses for loss of life, personal injury or illness of any member of the crew and for \$200 in funeral expenses. It also covers repatriation expenses for members of the crew who may be left abroad, including wages when they are due under statutory obligation. Liability to any other vessel for damage or loss is also covered as is cargo on board the other ship to the extent that such loss is not recoverable under the standard American Institute hull policy. Also covered is damage to any other vessel or craft, including wash damage due to allegedly excessive speed of a passing vessel, damage caused by propeller suction during dock trials, the crowding of other ships in congested waters, damage to piers, docks, buoys, etc., the expenses of removal of a wreck of an insured vessel, the shipowner's liability for fines imposed by governments of the states, the U.S. and foreign countries if they are not the result of fault or negligence by insured or his managing officers or agents. It also covers expenses incurred in resisting unfounded claims by the master or crew, extraordinary expenses arising as a result of quarantine and quarantinable diseases, net loss due to deviation incurred to land a sick or injured seaman including port charges, insurance, bunkers, stores, provisions consumed, etc.

Exceptions in the clause covering loss or damage to cargo are mail, parcel post, passenger's baggage, bullion, jewelry, silks, furs and other particularly valuable cargoes unless specially insured, refrigerated cargo except under approved conditions, errors in operation of the ship, issuing improper bills of lading and risks from perils covered by the hull policy.

Insurers claim the right of subrogation from insured against third parties for all settlements made with insured. Insurers make no contribution where there is double insurance and insured have no right of transfer of their rights against insurers.

There is an implied warranty on the part of the shipowner that there should be no departure from or variation of an insured voyage after the risk has attached. Exceptions permit such deviation under stress of weather or unavoidable accident or in order to save life. Deviation for any purpose except these authorized causes will usually void the cargo insurance and in some cases will void the ship's hull policy.

The Pompano Beach, Fla., general agency of Bateman & Cassels has named Frank H. Furman Jr., Miami local agent, manager of its insurance department.

New York Sets Up Basic Compulsory Auto Provisions

New York department has issued in its final form regulation 35, which sets out the minimum provisions of automobile liability policies it will accept under compulsory auto insurance.

The provisions are exactly the same as the preliminary provisions discussed at a hearing last month by department officials and representatives of the business. The details of coverage were worked out in joint conferences between the department and a special committee representing stock, mutual and direct writing insurers and producers. The provisions were carried verbatim in the July 12 issue of THE NATIONAL UNDERWRITER.

International Indemnity President Refuses to Testify 59 Times

President Lawrence M. Schwab of International Indemnity of Denver, now in receivership, refused 59 times on the grounds of possible self-incrimination to answer the questions in Denver district court during a cross examination of what happened to \$118,582 in company assets. Mr. Schwab is charged in the criminal division of the district court with embezzeling a \$6,000 payment to International Indemnity and applying it to the mortgage on his home.

At one time in the cross examination Mr. Schwab indicated he thought the attorneys should be occupying themselves with liquidating the company rather than "persecuting" him. He admitted he had a bank account in his wife's name that she used to pay claims against International Indemnity.

International Indemnity originally went into voluntary liquidation, but subsequently it was determined that a receivership was necessary.

SEC Seeks to Halt Sale of Freedom's Promotion Unit

Securities Exchange Commission has petitioned district court in San Francisco for an injunction to prevent Uni-Insurance Service Corp. of Berkeley from selling additional stock in Uni-Service, which is a servicing organization for the proposed Freedom Insurance Co. of Berkeley.

In seeking the injunction against the sale of Uni-Service stock, SEC contends the stock sale was a public and not a private offering, in violation of section 5 of the securities exchange act which requires registering of a prospectus of the stock for public offering. Uni-Service contends this was a private offering.

Uni-Service officials have voluntarily withdrawn the stock and are not presently offering it for sale. Freedom is not involved in the litigation and sale of that stock is a public offering which has been registered with SEC. Uni-Service has been handling the public offering of Freedom's shares.

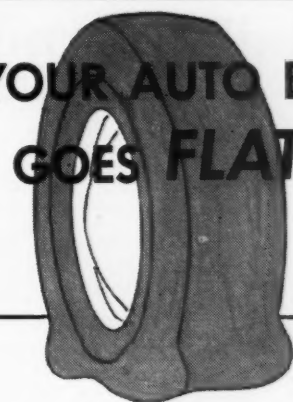
Walker Advanced by American Surety

American Surety has appointed Clarence M. Walker superintendent of casualty at Memphis. He joined the Memphis branch in 1950 as payroll auditor-loss prevention representative and became special agent in 1954.

Travelers on \$2 Million Cal. Bond

Travelers Indemnity is surety on a \$2,528,933 contract for construction of 4.5 miles of freeway near Atwater, Cal. The contract has been awarded to Gordon H. Ball and Erickson, Phillips & Weisberg, both of Danville, by California department of public works.

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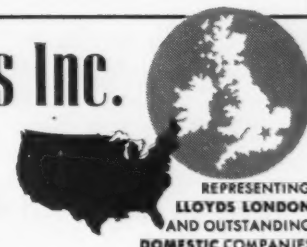
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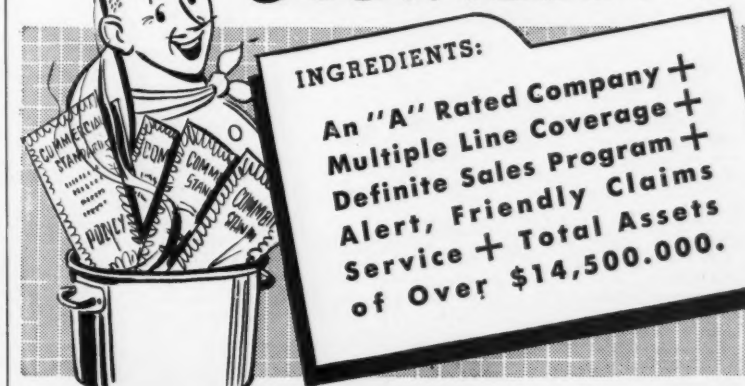
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CLASS	TOTAL		Ratio Losses Paid to Premiums Written
	Written Premiums	Paid Losses	
WATER FILING REQUIREMENTS APPLICABLE			
ACCOUNTS RECEIVABLE POLICIES	9 704,794	8 27,594	3.91
BOOKS & EQUIPMENT	75,270	34,477	45.78
MECHS & TOWNS	1,648,618	219,590	13.32
Property Damage	320,082	12,551	3.92
Use & Occupancy			
CAR & SOUND EQUIPMENT (EXCLUDING DEALERS)	2,193,966	1,105,876	50.42
Private Risk			
Commercial Other Than Motion	463,708	285,110	61.50
Picture Producers	106,511	100,308	94.27
Motion Picture Producers			
CAR DEALERS	284,014	126,992	44.72
Reporting Policies on Reporting Form	17,658	6,501	36.85
Reporting Policies	1,669	504	30.20
Details Not Furnished			
COMPREHENSIVE DWELLING POLICY (GROUP D)	9,546	9	.09
COTTON (WYERS TRANSIT FORM)			
Including (Inners Endorsement	148,098	130,612	88.20
Others Endorsement	149,554	68,413	45.75
EQUIPMENT DEALERS			
Including Coverage on Incidental Stock -	1,113,945	651,955	58.54
Annual or Short Term Policies			
Excluding Coverage on Incidental Stock -	213,754	61,524	28.78
Reporting Policies			
Coverage on Incidental Stock -	64,122	235,139	366.71
Annual or Short Term Policies			
Coverage on Incidental Stock -	105,742	15,384	14.54
Reporting Policies	994,458	680,977	68.48
Details Not Furnished			
FILES & NEGATIVES	148,426	18,162	12.24
FIRE ARMS - PRIVATE COLLECTIONS	2,065,126	1,070,159	51.82
FIRST CLASS MAIL			
Form A	795,251	26,750	3.36
Form B	11,420	1,250	10.94
Form C	45,308	1,837	4.05
Details Not Furnished	533	46	8.63
Total	886,515	30,183	3.40
FLOOR PLAN POLICIES	173,730	122,658	70.65
FURNISH BLOCK			
Annual or Short Term Policies	122,322	16,407	13.41
Reporting Policies	1,111	219,960	198.07
Details Not Furnished	1,411		
FURNISH CUSTOMERS			
Custody Rider	2,062,711	684,764	33.20
Local Lib. Endor. Detail	3,112	1,112	35.73
Local Lib. Endor. Wholesale	3,112	1,112	35.73
All Other Including Certification	996,065	375,507	37.70
GARMENT CONTRACTORS			
Women's Wear - Coats, Suits & Dresses	8 2,364,166	8 971,377	41.24
Men's & Boys' Wear	763,159	604,560	79.22
Other Wearing Apparel	1,367,608	762,623	55.84
GOLFERS EQUIPMENT FLOATERS	111,282	73,103	65.71
HEATING & AIR CONDITIONING DEALERS			
(Where Specifically Approved as Inland Marine)	2,090		
Dealers - Annual or Short Term Policies	526		
Dealers - Reporting Policies			
Wholesalers & Distributors	92,641	42,627	45.91
Details Not Furnished			
HORSE & WAGON	201,078	50,983	25.35
HOUSEHOLD APPLIANCE DEALERS			
(Where Specifically Approved as Inland Marine)	6,415		
Dealers - Annual or Short Term Policies	928		
Dealers - Reporting Policies			
Wholesalers & Distributors	355,263	73,559	20.70
Details Not Furnished			
INDUSTRIAL MACHINERY & TOOL DEALERS			
(Where Specifically Approved as Inland Marine)	1,708	110	6.47
Dealers - Annual or Short Term Policies	1,708	110	6.47
Dealers - Reporting Policies	1,083		
Wholesalers & Distributors	69,659	503	.72
Details Not Furnished			
JEWELERS BLOCK			
Loose Diamonds			
Average Inventories Less Than \$200,000 -	100,352	46,867	46.69
Full Coverage			
Average Inventories Over \$200,000 -	95,024	20,560	21.64
Full Coverage	37,661	111,969	295.19
Policies Subject to a Deductible			
Wholesalers, Etc.			
Average Inventories Less Than \$200,000 -	870,777	749,598	86.08
Full Coverage			
Average Inventories Over \$200,000 -	459,656	199,526	43.42
Full Coverage	11,616	1,249	10.75
Policies Subject to a Deductible			
Policies Subject to \$1,000 Deductible	11,171	1,241	11.02
Policies Subject to \$5,000 Deductible			
Policies Subject to \$10,000 Deductible			
Dealers & Fabricators			
Average Inventories Less Than \$200,000 -	2,492,571	1,262,871	50.67
Full Coverage			
Average Inventories Over \$200,000 -	519,350	201,258	38.75
Full Coverage	52,291	14,721	28.35
Policies Subject to a Deductible			
Policies Subject to \$1,000 Deductible	2,103	533	25.34
Policies Subject to \$5,000 Deductible	7,045	500	7.10
Policies Subject to \$10,000 Deductible			
Total Jewelers Block	1,950,739	1,512,306	77.50
LIVESTOCK FLOATERS			
Territory 1. Policies Attaching Prior			
to August 1, 1952	20,556	8,151	39.66
1. Policies Attaching On and	51,607	5,137	9.95
After August 1, 1952			
Territory 2. Policies Attaching Prior	39,401	45,349	115.06
to August 1, 1952			
2. Policies Attaching On and	784,465	140,533	17.79
After August 1, 1952			
Territory 3. Policies Attaching Prior	19,899	9,008	45.27
to August 1, 1952			
3. Policies Attaching On and	543,208	246,111	45.31
After August 1, 1952			
LIVESTOCK FLOATERS (CONT.)			
Territory 1. Policies Attaching Prior			
to August 1, 1952	11,552	9,130	78.56
1. Policies Attaching On and			
After August 1, 1952			
Territory 2. Policies Attaching Prior			
to August 1, 1952	245,813	158,202	64.37
2. Policies Attaching On and	77,711	20,115	25.87
After August 1, 1952			
Texas & Other Territories	1,112	533	47.93
Details Not Furnished	1,112	533	47.93
Total Livestock Floaters	1,517,768	1,079,598	71.52
MOBILE AGRICULTURAL MACHINERY & EQUIPMENT FLOATERS			
Territory 1. Policies Attaching Prior			
to August 1, 1952	704,515	91,755	13.02
1. Policies Attaching On and	1,074,171	1,315,215	122.40
After August 1, 1952			
Territory 2. Policies Attaching Prior			
to August 1, 1952	12,915	4,546	35.19
2. Policies Attaching On and	644,809	536,949	83.29
After August 1, 1952			
Territory 3. Policies Attaching Prior			
to August 1, 1952	29,905	14,109	47.18
3. Policies Attaching On and	816,681	356,282	43.61
After August 1, 1952			
Territory 4. Policies Attaching Prior			
to August 1, 1952	81,803	92,501	113.08
4. Policies Attaching On and			
After August 1, 1952	1,038,171	726,155	69.99
Texas & Other Territories	286,626	126,521	44.14
Details Not Furnished	1,112	533	47.93
Total Mobile Agricultural	5,200,000	2,850,000	54.81
MARINE SUPPLY DEALERS			
(Where Specifically Approved as Inland Marine)	1,500	13	.87
Dealers - Annual or Short Term Policies			
Dealers - Reporting Policies	88,162	31,284	35.49
Wholesalers & Distributors	56,870	8,590	15.12
Details Not Furnished			
NEW SIGNS			
Full Form			
Florida & Puerto Rico	59,466	28,411	47.78
Texas	150,528	76,293	50.68
Alabama, Georgia, Louisiana,			
Mississippi, North Carolina,			
South Carolina & Virginia	115,012	61,730	53.67
Balance of Continental United States	1,108,229	670,000	60.46
& Hawaii	1,543,115	803,404	52.05
Total Full Coverage			
Florida & Puerto Rico	66,261	13,103	19.78
Texas	87,102	27,036	31.01
Alabama, Georgia, Louisiana,			
Mississippi, North Carolina,			
South Carolina & Virginia	73,572	42,612	57.92
Balance of Continental United States	552,260	266,159	48.20
& Hawaii	779,195	369,188	47.25
Total Deductible Coverage			

CLASS	TOTAL		Ratio Losses Paid to Premiums Written
	Written Premiums	Paid Losses	
MUSICAL INSTRUMENTS (EXCLUDING DEALERS)			
Individual - Non-Professional	607,535	166,693	27.46
Individual - Professional	127,197	192,745	151.55
Orchestras, Bands & Other Groups	769,500	21,591	2.81
MUSICAL INSTRUMENT DEALERS			
Reporting Policies on Reporting Form	155,165	51,376	33.11
Reporting Form	74,227	10,484	14.12
Details Not Furnished	5,907	5,775	97.76
OFFICE MACHINERY & SUPPLY DEALERS			
(Where Specifically Approved as Inland Marine)	2,113	1,931	91.39
Dealers - Annual or Short Term Policies	683	58	8.50
Dealers - Reporting Policies	55,773	5,176	9.28
Wholesalers & Distributors			
Details Not Furnished			
PARCEL POST			
Coupon Form	915,805	1,274,935	139.32
Open Form	5,659,028	2,750,920	48.61
PERSONAL EFFECTS			
Minimum Premium Policies	1,845,779	351,768	19.06
10,000 & Under	11,145,068	5,586,186	49.85
10,001 to 50,000	605,083	412,777	68.21
50,001 to 100,000	10,001 to 50,000	4,207,586	42.07
100,001 & Over	5,400	3,176	58.82
Details Not Furnished	664,262	268,333	40.39
Total Personal Effects	18,260,551	6,573,561	36.00
PERSONAL JEWELRY			
Full Coverage			
5,000 & Under	26,637,276	11,771,148	44.19
5,001 to 10,000	6,252,807	2,377,776	38.19
10,001 to 50,000	6,252,807	2,377,776	38.19
50,001 to 100,000	1,077,279	747,466	69.39
100,001 & Over	11,471,615	20,529,246	180.50
Total Full Coverage	535,361	567,535	105.07
\$50 Deductible Coverage			
Blanket Portion - Deductible			
10,000 & Under	8,202,317	4,733,797	57.70
10,001 to 50,000	10,136,115	6,750,090	66.60
50,001 to 100,000	10,136,115	6,750,090	66.60
100,001 & Over	1,042,468	297,488	28.53
Total Deductible Coverage	2,267,269	1,317,622	58.16
50 & 5,000 & Under	1,042,468	297,488	28.53
50 & 10,001 to 50,000	1,042,468	297,488	28.53
50 & 10,001 to 100,000	821,266	536,468	65.32
50 & 10,001 & Over	45,028,218	31,229,022	69.36
Total Deductible Coverage	408,112	110,435	27.06
Misc. Scheduled Property Other Than			
Jewelry, Pure & Fine Arts			
Outdoor Radio & Television Towers &			
Antenna Specifically Insured at a			
Separate Premium Charge	91,327	8,364	9.16
PHYSICIANS & SURGEONS EQUIPMENT			
Reporting Policies on Reporting Form	1,221,534	229,676	18.79
Reporting Policies			
Wholesalers & Distributors			
Details Not Furnished			
REGISTERED MAIL			
Rolling Stock Railroad			
Land Switching Locomotives	15,149	167,719	1105.11
Passenger & Freight Locomotives -			
Not Used With Steam Locomotives	852,423	542,237	63.74
Passenger Locomotives - Used With			
Steam Locomotives	51,169	50,110	97.93
Passenger Equipment - Excluding Power Units	211,167	20,538	9.72
Short Rail Locomotives	1,042,468	297,488	28.53
Tank Cars	105,816	25,272	23.90
Miscellaneous	219,277	20,212	9.21
Total Rolling Stock	2,267,269	1,317,622	58.16
SILVERWARE FLOATER			
Reporting Policies on Reporting Form	55,134	35,719	64.78
Reporting Policies			
Wholesalers & Distributors			
Details Not Furnished			
SPORTING GOODS DEALERS			
(Where Specifically Approved as Inland Marine)			
Dealers - Annual or Short Term Policies	1,104	59	5.34
Dealers - Reporting Policies			
Wholesalers & Distributors	97,056	9,126	9.31
Details Not Furnished			
STAMP & COIN COLLECTIONS			
Reporting Policies on Reporting Form	289,391	92,581	31.99
Reporting Policies	289,391	92,581	31.99
Details Not Furnished			
THEATRICAL FLOATERS			
Reporting Policies on Reporting Form	379,688	206,292	54.35
Reporting Policies	650,290	219,927	33.82
Details Not Furnished	178,531	11,115	6.23
TOURIST BAGGAGE			
Reporting Policies on Reporting Form			
Reporting Policies			
Details Not Furnished			
WINTER RANGE LIVESTOCK			
A. Colorado, Kansas, Nebraska, New Mexico &			
Oklahoma	4,773	263	5.50
B. All Others	3,237	61	1.88
Details Not Furnished			
WOOL GROWERS FLOATER			
Reporting Policies on Reporting Form	50,935	3,077	6.04
Reporting Policies			
Wholesalers & Distributors			
Details Not Furnished			
WATER FILING REQUIREMENTS NOT APPLICABLE			
SALES COUPONS			
Reporting Policies on Reporting Form	1,131,901	3,808,894	336.38
Reporting Policies			
Wholesalers & Distributors			
Details Not Furnished			
BOATS (INCLUDING CANOES & SAILBOATS) AND OUTBOARD MOTORS			
Reporting Policies on Reporting Form	1,161,116	2,117,472	182.34
Reporting Policies	8,367	8,167	97.49
Details Not Furnished			
BOATS & MOTORS COMMERCIAL (INBOARD)			
Reporting Policies on Reporting Form	923,674	623,401	67.50
Reporting Policies	709,164	153,182	21.59
Details Not Furnished			
COLD STORAGE LOCKER POLICIES (OPERATORS			
Reporting Policies on Reporting Form	2,000,000	11,569,126	578.96
Reporting Policies			
Wholesalers & Distributors			
Details Not Furnished			
CONTRACTORS EQUIPMENT FLOATERS			
Difference Payment Merchandise	8,082,871	4,259,808	52.70
Equipment Store Floaters	190,053	96,528	50.78
Fine Arts - Dealers, Museums, ETC.	1,704,615	1,084,399	63.61
Government Service Policies	285,212	153,807	53.92
Gun Floaters	232,126	79,713	34.33
Installation Floaters	4,177,795	1,600,797	38.32
Leased Property	74,073	20,976	28.32
Live Animals & Pets Insurance (Other Than Livestock)	4,344,194	2,981,528	68.65
Miscellaneous Dealers Insurance	1,675,905	1,054,618	63.00
Motor Truck Cargo	31,209,394	11,210,805	35.91
Notifiables Equipment Floaters	20,404	9,385	45.99
Notifiables Liability	11,377	6,925	60.90
Paraphernalia Floaters	133,754	31,902	23.85
Pattern Floaters	1,009,085	317,031	31.41
Processing Kites	4,064,186	5,555,551	136.72
Salmon's Samples	1,096,945	578,531	52.76
Scientific Instruments Floaters	308,737	113,161	36.67
Trailer Contents (Auto Home)	6,054	2,139	35.33
Transportation (Open & Annual Forms)	15,969,552	7,808,729	49.00
Transportation (All Others)	6,186,770	2,515,305	40.66
Warehousemen's Legal Liability	1,070,860	224,971	21.01
Miscellaneous Floaters	50,756,961	25,979,553	51.18
Canada & Other Countries (Direct Basis)	14,373,292	6,378,705	44.44
TOTAL		\$175,019,750	

NO. 11 OF A SERIES

Service does Pay

Says a Pearl-American Agent in Eastern Wisconsin. This is his story:



"I had the Fire and E.C. insurance on a warehouse building which had originally been constructed for other purposes. When I wrote the policy I used the flat rate but recommended coinsurance provided the owner would buy an appraisal from a recognized appraisal firm. The owner repeatedly vetoed my suggestion. One day he phoned and said he wanted to see me right away. It seemed that through his trade association an out-of-town source had been permitted to make an appraisal and had convinced him that (a) he was under insured to the extent of \$50,000, (b) he should carry coinsurance. I contacted your field man and together we visited my client. He showed us the 'appraisal.' Your field man pointed out that it had obviously been made by using a standardized chart, such as he carried. He showed my client his chart and how it worked. He then told my client that in his opinion the chart method was not reliable for my client's building. The upshot was that my client ordered an appraisal from a National appraisal firm. Their actual cash value figure not only made the additional insurance unnecessary but enabled my client to add coinsurance with confidence and with a consequent reduction in rate. My client was so pleased that he ordered appraisals on certain other properties and gave me the insurance."

Every Pearl-American Agent has at his command the facilities of one of the world's greatest companies. We invite your inquiry.

WE BELIEVE

the properly qualified "Independent" local agent can best SERVE the insuring public. Unlike the "Captive" agent he is free to utilize the insurance facilities of the world. In the present and continuing struggle between "Independent" and "Captive" agents it is important that this capacity of THE "Independent Local Agent" to SERVE be emphasized again and again. This series of twelve actual stories of everyday service rendered by "Independent" agents is published in that spirit. Reprints are available without cost or obligation.

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MARQUETTE CASUALTY COMPANY

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238 Loyola Ave. New Orleans, La.

Full Multiple Line Facilities

Ackerson to R-L Regional Post

Royal-Liverpool has appointed Arthur D. Ackerson assistant regional manager of New England at Boston. He succeeds Bernard R. Schneider, who has been appointed regional manager of New Jersey.

Mr. Ackerson started in 1939 with Sun. He joined Royal-Liverpool in 1946 and for nine years served as state agent in several New England fields. Since 1955 he has been assistant agency secretary in the eastern department at New York.

N. Y. Agents Name Hatch 75th Jubilee Chairman, Neumann to EAC Post

New York State Assn. of Insurance Agents has appointed Herbert H. Hatch of Massena chairman of the special planning committee for the celebration of the association's 75th anniversary. The committee will be composed of all the living past presidents of the association. The celebration is planned for the annual convention next May in Syracuse.

The association also named Joseph A. Neumann of Jamaica, past president of NAIA, New York representative on the Eastern Agents Conference committee to succeed Russell M. L. Carson of Glens Falls.

Wendt Adjustment Is Successor to Cherry-Wendt

H. E. Wendt Adjustment Co. of Omaha has succeeded the Cherry-Wendt Adjustment Co. H. E. Wendt will continue the business established four years ago covering eastern Nebraska and western Iowa for fire, casualty and allied lines. Wendt Adjustment is a member of National Assn. of Independent Insurance Adjusters.

N. C. Field Men to Hear Fire Prevention Talk

Stock Fire Insurance Field Club of North Carolina will meet Aug. 10 at King Cotton hotel, Greensboro, to hear a program on fire prevention and reports on the insurance department hearings of July 27 and Aug. 6. Samuel F. Padgett of Royal-Liverpool, public relations chairman, will be in charge of the program.

Pa. Mutual Dissolved

In the liquidation proceedings commenced by Commissioner Smith of Pennsylvania against Bankers Mutual Fire of Lancaster, which had its principal office at 104 Chestnut street, Harrisburg, the commissioner told policyholders that all policies will be cancelled automatically Aug. 3. Feb. 4, 1957, was fixed as the last day for filing proofs of claims against the company. W. V. Keller Sr. was president of the company.

Rosenthal Joins Allstate

Vernon Rosenthal, formerly with the Illinois department, has joined the home office staff of Allstate as assistant state filing director. Mr. Rosenthal had been an examiner in the Illinois department for 15 years.

Davis Addresses Miss. Agents

Commissioner Davis of Mississippi addressed Northeast Mississippi Local Agents Assn. on new laws enacted by this year's state legislature, at the July meeting in Columbus.

Government Employees has elected Ralph C. Peck comptroller. He joined the company in February and before that was deputy comptroller of American Surety.

PW Joins Other Insurers in Canada

Providence Washington has entered into an agreement for joint management in Canada with Cornhill, Monument, Provincial, Union Fire, Accident & General and Unity Fire & General.

This will be under the management of Gordon C. Hunter, who for 3½ years has been Canadian general manager of Providence Washington. Mr. Hunter will keep present headquarters in the Royal Bank building, Toronto.

Plan Fire Inspection of Ga. Town Buildings

Insurance men in Tifton, Ga., are preparing for a large scale inspection during fire prevention week of that city's business and public buildings to eliminate fire hazards. The inspection will start Oct. 11.

Cooperating on the inspection will be the Georgia Fieldmen's Club, Tifton Fire & Casualty Insurance Agents Assn. and Tifton Underwriters Assn. Ben I. Simpson, state agent of Crum & Forster, and co-chairman of the field men's club, is in charge of the operation.

Conn. Mariners Elect Harrington Skipper

Connecticut Mariners Club has elected Pater B. Harrington of Aetna Fire skipper, Angus W. Clark of Travelers first mate, Norman F. Wheeler of Aetna Casualty purser, Martin M. Higgins Jr., yeoman, and William F. Dexter of Hartford Fire, Charles Dunn of Caledonian and Donald H. Mackay of Aetna Casualty executive committee members.

Maryland Casualty Ups Hillyer at Oklahoma City

Hillyer R. Jackson has been named casualty manager at Oklahoma City for Maryland Casualty. He had been with the company for about two years as casualty underwriter and before that had considerable previous casualty experience.

Dubuque F. & M. Appoints Hughes Loss Superintendent

Dubuque F. & M. has appointed James W. Hughes superintendent of losses. He joined the company early this year as casualty claim manager, and before that for many years was with American Casualty in the loss department at Philadelphia, Baltimore and at the home office.

Radio Station Bars "Transfusion"

Radio Station, WHAS, Louisville, has announced that it has barred the drunken driver with nine lives record, known as "Transfusion," a combination hillbilly and rock 'n' roll production, depicting one Nervous Norvus, who after each crash swears that he will never speed again. Nervous Norvus calls for blood transfusions in the song in such words as "slip me the blood, Bud," "shoot the juice to me, Bruce," and "pass the claret to me, Barrett."

Officials of the radio station said they felt the lyrics of the record were in questionable taste; that the record would not encourage anybody to drive safely, and that the station did not believe it would be depriving society of anything, particularly musical, by barring it.

Dot Records has argued that "Transfusion" is a plug for safer driving.

Government Employees has increased its annual dividend rate from \$1.20 to \$1.40 per share and has declared a quarterly dividend of 35 cents per share payable Sept. 25 to stockholders of record Sept. 10.

Offer Guide to Problem of Windshield Replacement

(CONTINUED FROM PAGE 15)

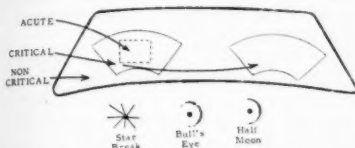
of the policy, to prevent payment for old damage.

—In between the many fine stone nicks, that occur on most cars, and outright breakage, the common type of damage is as follows:

Half moon and bulls eye fractures that form a half-circle or full-circle around the point of impact, generally $\frac{1}{4}$ to $\frac{3}{8}$ inch in size.

Stone nicks, pits or chips varying in size from $\frac{1}{16}$ to $\frac{1}{8}$ inch.

—When this type of damage occurs, the place of damage is of primary importance and for this reason refer to the sketch below:



The critical areas are the portion of the windshield cleaned by the normal sweep of the wiper blades. (Not the return position). The acute area (on the left side only) is $8\frac{1}{2}$ inches wide by $5\frac{1}{2}$ inches high, directly in front of the driver in the center of the left critical area. The non-critical area is all the glass outside the critical areas.

—The windshield should be replaced:

When stone nicks or chips $\frac{1}{8}$ inch or larger, or half moon or bulls eye fractures, $\frac{1}{4}$ inch to $\frac{3}{8}$ inch, occur in the critical areas. When the same type damage $\frac{1}{2}$ the size, described above, falls in the acute area, the glass should be replaced. When this type damage and size occurs in a non-critical area it should not be replaced for the following logical reasons:

1. Such marks do not grow in size.
2. They do not affect the prime purpose of the windshield; to provide perfect vision.
3. Windshields are made to look through, not at.
4. The small appearance defect should be classed the same as a paint chip on the leading edge of the hood, also caused by flying stones.
5. State coverage still in force.

—Additional notes of caution:

Substitution of the more expensive tinted or shaded windshield should never be made without owner paying the additional cost.

Cash settlements for glass replacements should not be made and reasonable assurance that the glass is actually replaced is necessary. Extra precaution should be made if the replacement order is given at the time of car trade-in.

Peresich Named Miss. Manager for Peerless

Peerless has named Eugene Peresich & Sons of Biloxi as underwriting managers for Mississippi.

Eugene Peresich Sr. entered insurance 35 years ago as a local agent and in 1940 established the general agency which is now headed by his sons, Giles Peresich, president; Eugene Peresich, vice-president, and Edward Peresich, secretary-treasurer. Two other sons, Gordon and John, will join the agency after they complete military service.

Edward L. Hoppensteadt has been named systems development manager of Allstate. He joined Allstate in 1946 as an underwriter in the midwest zone, became underwriting manager at Kansas City in 1947 and services manager of the eastern zone in 1955.

Southern Nevada Claim Men Form Association

Southern Nevada Claims Assn. has been organized with R. L. Gresham of R. L. Gresham & Co. as president; Rennie Wilkinson of Cantlon Adjustment, vice-president, and Earl Long of Cantlon Adjustment, secretary-treasurer.

Membership consists of full time insurance adjusters "and all other claims agents operating and residing in southern Nevada." There are about 35 adjusters eligible, and it was not until the membership potential was sufficient that organization of the new association was started. James McDaniell of Brown Bros. is chairman of the program committee, and Clinton Campbell, General Adjustment Bureau, heads the membership committee.

Tokio Marine & Fire Applies for California Certificate

The U. S. Branch of Tokio Marine & Fire, managed by Appleton & Cox, has applied for a certificate of authority to write fire and allied lines in California. Pacific Marine agency of San Francisco, an affiliate of Appleton & Cox, has been named agent for service in the state. The company was originally admitted to California in 1929 and was suspended from operations in 1941.

It has assets of \$1,997,196 in the U.S., which includes a state deposit of \$1 million in New York and surplus of \$997,196.

So. Cal. Buyers to Meet

Southern California chapter of American Society of Insurance Management will sponsor its buyers conference, Sept. 16, at the Roger Young auditorium, Los Angeles.

There will be discussions of group insurance, comprehensive 3-D, comprehensive liability and insurance program planning.

Long Beach Adjusters Hear Morris

Charles Morris, head of the Los Angeles office of the claims bureau of Assn. of Casualty & Surety Companies spoke at the July meeting of Long Beach (Cal.) Adjusters Assn. He discussed activities of the bureau, its index bureau, arbitration committees and the work of independent appraisers.

Southern California Casualty Insurance Adjusters Assn. at its July meeting heard a discussion on removal of stains from automobiles by W. G. Taylor.

The McCoy-Robbins agency of Kokomo, Ind., has purchased the W. E. Lightfoot agency and has moved to the Lightfoot offices at 220 West Walnut street.

Argue Tax Case in West Virginia

West Virginia has filed demurrers in Kanawha circuit court at Charleston to complaints filed by insurers against the new license tax on insurers. The insurers, Niagara Fire, Standard Accident, Employers Mutual Casualty, Phoenix Mutual Life, and Life of Virginia, contend that the tax falls on insurance corporations differently from other corporations and hence is unfairly discriminatory. The new tax is based on the relation between insurer's capital or unassigned surplus without any relationship to property owned in the state.

Assistant Attorney General Riley in filing the demurrers argued that the tax is on the privilege of engaging in the insurance business in the state for profits and therefore is not discriminatory, or unfair, or dual.

Thornton Head Sales Promotion Department of Pacific Employers

Milton M. Thornton, former special agent in Los Angeles for Pacific Employers, has been named to head the newly-established sales promotion department, which will coordinate advertising, public relations and production activities of the company.

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EDITORIAL COMMENT

Opportunity for Ambitious Field Man

The New York fire department has issued regulations which permit firemen, on the side, to adjust insurance losses of all kinds, to sell fire and automobile insurance, and to act as fire insurance public adjusters, solicitors and investigators.

This, according to the department, is to permit firemen to augment their salaries so as "to afford their families a more normal and desirable standard of living, appropriate educational op-

portunities, proper medical care and the like."

The new regulations serve to recall an incident several years ago. New York city firemen after putting out a blaze in a store were investigating what appeared to be evidence of arson. One fireman was checking the records of the mercantile establishment when he exclaimed, "My Lord, this is my insured."

Be Sure to Get Audience Participation

State associations of insurance agents are thriving as never before. In every section of the country their membership rosters are at new levels. Attendance at their annual and semi-annual meetings is large, in some cases even overflowing. For all of their gatherings they are able to get speakers who have something worth listening to. The turnout of company officials is gratifying. The members regard the operations of their association as influential and important.

All of this indicates a strengthening of the agency system.

But we should like to make one recommendation to the state associations. It is that at each meeting they give plenty of time to forums or panel discussions. It is when the representative agents of a state speak their minds freely, discuss what they know to be happening, make suggestions or sound a warning, that the real situation of the average local agent is revealed. Formal speakers are necessary to any local agents' program. When they are chosen carefully, they may be heard with respect and profit. Traditionally,

they constitute the backbone of the program.

But it has been our observation, made over the past year or so, that when there is an open discussion; when agents rise to their feet in all sections of the room, and when those in attendance feel themselves to be among friends, they say exactly what they want to say in the way they want to say it. What is on the top of the mind of the average local agent is expressed. When agents enunciate such opinions and comments without reservation, without guile, and with no other object than to say truly what they feel or know to be the case, company officials should sit up and take notice, for at such a time they are listening to what the producers of their premiums are confronted with as they move around among their customers at the point of sales contact.

Unrehearsed discussions, panels and forums, managed by a competent chairman or moderator, tend to bring the truth to the surface without artificial contrivance.

Organize Group to Write Water Wells in Cal.

Three local agents at Fresno have organized Deep Well Underwriters to insure deep water wells in the San Joaquin Valley of California. The principals are P. D. Ellithrop, Robert Eaton and N. B. Swett. Mr. Swett is a former president of California Assn. of Insurance Agents.

It is understood the new type of insurance has been made possible by the invention of a gadget which can inspect a well accurately. It includes a camera capable of photographing the interior of a well, and a swedge which can repair damages to well casings. The business, it is understood, will be written through Deep Well Underwriters in Ocean Accident.

N. J. Passes WC Bill to Raise Top Benefits

The New Jersey legislature has passed and sent to Gov. Meyner a bill raising all workmen's compensation benefits from a \$30 weekly maximum to \$40 in all categories except permanent partial disability. Maximum for the latter will be \$35.

The measure would go into effect Jan. 1. It raises from 300 to 350 weeks the payments to dependents of a worker killed on the job and from 150 to 200 weeks the payments to a worker who loses an eye in an on-the-job accident. Funeral expenses are increased from \$250 to \$400. The bill also provides compensation for injuries to a worker as the result of play by other workers if the injured worker does

not participate in the play and for the loss of artificial appliances such as eye glasses, artificial legs, etc. that are broken in an industrial accident.

Receiver of Inland Empire Seeks Royal American Assets

Continental Bank & Trust Co. of Salt Lake City, receiver for Inland Empire, has filed suit in federal district court in Birmingham for \$1,856,911. Named as defendants are Royal American of Huntsville, Ala., now in receivership, St. James Corp., Robert K. Bell, Marke Goode, Carl A. Morning Jr., Commissioner Gwaltney and others unknown who are directors or stockholders of Royal American.

The suit alleges that St. James Corp. owned all of the capital stock in Royal when it closed last Nov. 23 after being in existence 13 months.

Messrs. Bell, Goode and Morning were officers of Royal, the suit alleges. The bank contends that on Jan. 1, 1955, Royal American because the reinsurer of certain risks insured by Inland Empire, in return for which Inland transferred certain payments and assets to Royal.

Royal failed to fulfill its entire obligation to Inland, the suit states, so that the amount now due to Inland is \$1,856,911. Directors of Royal American have filed to make the proper settlement of the corporate affairs of the firm, it was charged. The suit asks the court for a "discovery and accounting" of the property and assets of Royal American and the amount of assets which is held by each of the defendants and any others not named. The suit also asks that Inland Empire be made a creditor of Royal American. Royal was incorporated in Madison county, Ala. Oct. 6, 1954, the suit states. St. James was listed as a Delaware corporation.

F. & D. Has Good First Six Months

Fidelity & Deposit in the first six months had net earnings of \$2,953,179 before federal income taxes and \$1,692,279, or \$4.23 per share, after taxes, President B. H. Mercer reports. This includes American Bonding.

The two companies wrote \$9,259,780 of premiums, \$478,032 less than 1955. Earnings were \$9,618,697, an increase of 5.4%. Losses incurred were slightly higher than the 1955 figure. Operating expenses compared quite favorably. Underwriting income amounted to \$2,025,154.



B. H. Mercer

Income from investments was \$928,025, an increase of \$90,232 before taxes. A gain of \$23,858 was realized on the sale of securities while market appreciation in the group's stock portfolio amounted to \$1,237,777.

Assets rose to \$69,522,909 and the policyholders surplus to \$41,639,870, compared with \$68,510,310 and \$39,581,292 last Dec. 31. On midyear 1956 market quotations for all bonds owned, assets would be \$68,623,399 and policyholders surplus \$40,740,360.

Shields and Renkey Are Advanced by National Union

F. J. Shields and E. J. Renkey have been elected secretaries by National Union Fire, National Union Indemnity and Birmingham Fire.

Mr. Shields, a graduate of Wharton School, joined National Union in 1938 as western marine manager at Chicago. He was skipper of Chicago Mariner in 1950. He transferred to Pittsburgh in 1950 as marine manager and made assistant secretary in 1952. As secretary he will be in full charge of marine activities for the entire country.

Mr. Renkey started in the fire underwriting department and after navy service traveled in the field. He returned to the home office in 1953. In 1954 he was elected assistant secretary and was placed in charge of the multiple peril department when it was established.

Readopt 1952 WC Rate Plan in California

Commissioner McConnell of California has readopted the workmen's compensation rating plan in effect prior to June 19, 1952, when former Commissioner J. R. Maloney issued his famous bulletin 67 containing new regulations including premium discounts for certain risks and a new retrospective rating plan. Bulletin 67 was involved in lengthy litigation instigated by a group of California companies, mostly participating insurers. These companies obtained an injunction, which finally was dissolved last April, but in the meantime the large eastern companies in many cases went over to the participating basis.

Probe N.D. WC Bureau

BISMARCK, N. D.—An investigation into the operations of the North Dakota Workmen's Compensation Bureau by an interim committee of the state legislature got under way last week and is expected to have political repercussions. Charges have been made that the bureau has improperly refunded WC premiums to some employers and has discriminated against others in determining rates.

General of Seattle has let a contract for construction of a 46,000 square foot addition to its home office at Seattle. The new structure will house the underwriting department for all companies except Safeco.

NATIONAL UNDERWRITER

EDITORIAL OFFICE:
99 John St., New York 38, N. Y.

Executive Editor: Kenneth O. Forco.

Assistant Editors: John H. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

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CHICAGO EDITORIAL OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.
Managing Editor: John C. Burridge.
Associate Editor: Charles C. Clarke.
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SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



PERSONALS

Hugh H. Murray Jr., the new president of American Institute for Property & Liability Underwriters, has operated his own agency in Raleigh, N. C., for 23 years.



H. H. Murray Jr.

His agency, Associated Insurers, is one of the largest in that state. In 1938-39 he was president of North Carolina Assn. of Mutual Insurance Agents and is a director, and in 1948-49 he was president of National Assn. of Mutual Insurance Agents. He is a charter member of the board of American Institute and has been active in promoting organization of classes leading to the CPCU designation. His own agency, with 17 employees, has three CPCU members. He has served on the insurance committee of U.S. Chamber of Commerce. Holder of a degree in aeronautical engineering, he operates his own plane in the conduct of his varied operations throughout the country.

E. H. Schler, American Surety, is celebrating his 50th anniversary with the company—33 years of which have been served in his present capacity as manager at Cincinnati.

Wade Fetzner, chairman of W. A. Alexander & Co. agency of Chicago, has been confined to his home, 737 South Elm street, Hinsdale, Ill., for five weeks due to illness.

Count Guy de Lesseps has announced the marriage of his sister, Tauni, to Arne Fougner, president of Christianity General. The wedding took place at Centre Island, N. Y.

C. E. Houk, special agent in Kentucky for Aetna Fire, is in a hospital at Owensboro with a broken leg suffered in an automobile accident.

Timothy J. O'Connor, local agent of Lowville, N.Y., marked his 50th year in the business.

DEATHS

ALFRED W. HILLBACK, 63, vice-president and Pacific coast manager of Great American Indemnity, died at his home in Palo Alto, Cal. He joined the company shortly after it was organized in 1926 and established the Pacific department that year. He began his insurance career at the age of 15 with American Bonding at San Francisco and remained with Fidelity & Deposit when it absorbed American in 1912. He joined Hartford Accident in 1918 in the surety department of the Pacific coast department, was later named assistant manager of the metropolitan department and was promoted to manager in 1925.

H. K. DICKINSON, 71, retired assistant western manager of Fire Association, died at Ft. Lauderdale, Fla., where he had been making his home. Mr. Dickinson was assistant western manager of Fire Association from 1926 until his retirement in 1948. His insurance career dated from 1905 when he started with his father's local agency

in Detroit. After eight years in the agency he went with North British as Michigan special agent, and in 1918 joined Glens Falls in the Michigan field as special agent. He went with Fire Association in 1919 as Michigan state agent, succeeding A. F. Powrie who had been called into the western department to be assistant manager. When Mr. Powrie became western manager of Fire Association, Mr. Dickinson followed him to Chicago as assistant manager.

While he was in the Michigan field, Mr. Dickinson served as secretary of the field club and was active in the Blue Goose.

LOUIS A. SCHNEIDER, 47, assistant secretary of American, died in Memorial hospital, Morristown, N. J., after a long illness. He was an examiner for Virginia F.&M. before joining Dixie Fire, former affiliate of American, in 1938. He was a special agent in Louisiana when he transferred to America's home office fire underwriting department in 1947 as superintendent. He subsequently became superintendent of office administration and was named assistant secretary in 1954.

MRS. ALICE L. MONTGOMERY, 46, who retired early this year as coordinator of fire and wind claims for Indiana Farmers Mutual, died at her home in Indianapolis. She had been with the company for 27 years and left the business because of ill health.

HUGH C. WILLIAMSON, 62, local agent of East Aurora, N. Y., died there. He lived there more than 40 years.

FREDERICK R. PEASE, 74, former assistant manager at Cleveland for Maryland Casualty and manager of the company's bonding department at Cleveland, died there. He retired last November. He was manager at Cleveland for Glens Falls from 1925 to 1935.

HARLAN J. HADLEY, 62, partner in the Hadley-Mahoney agency of Indianapolis, died of a heart attack at Traverse City, Mich., where he had been vacationing. Mr. Hadley organized the Hadley-Mahoney agency with George Mahoney in 1923. He started his insurance career with Mutual Life of New York at Indianapolis, and later was with Union Casualty of Philadelphia. He was a past president of Indianapolis Insurance Board.

MRS. ANDREW J. HELMICK, 48, whose husband is president of Reinsurance Agency and Underwriters Agency of Chicago, died at St. Luke's hospital there.

THOMAS J. KELLY, 62, co-partner of Canada Claims Service of Montreal, died there. He was formerly president of Adjusters & Appraisers of Montreal.

DENVER N. MISENHIMER, 66, retired local agent of Fayetteville, Ark., died there.

CALMER M. MONSON, 46, vice-president of the Hoberg agency of Fargo, N. D., died there.

HARRY G. WHITNEY, retired casualty department manager of Johnson & Higgins, New York, died in St. John's Long Island city hospital after a long illness. He retired six years ago after working for the brokerage firm since 1912.

MRS. ADELAIDE M. B. WOLF, 78, oldest licensed fire insurance agent in Fremont, O., died at her home there. She was secretary of the Wolf agency

(CONTINUED ON PAGE 28)

We invite inquiries on:

EXCESS LIABILITY

LIMITS OVER

PRIMARY OR SELF INSURED RISKS

**CITIZENS CASUALTY COMPANY
OF NEW YORK**

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of New York**

Organized 1918

Globe & Republic Insurance Company of America
Established 1862

**Merchants and Manufacturers Insurance Company
of New York**

Organized 1849

New York Fire Insurance Company
Incorporated 1832

CORROON & REYNOLDS, INC.
MANAGER

92 William Street, New York 38, N. Y.

FIELD

American Assigns Kennedy, Mohundro, Schott in Tex. Field

American has assigned Edward O. Kennedy, field supervisor, to the southwestern department at Dallas, Lonnie M. Mohundro special agent in Dallas and Tarrant counties in Texas and Richard B. Schott engineer in the southwestern casualty department.

Mr. Kennedy joined the company as a map clerk in Newark in 1939. He was named special agent at Shreveport in 1947 and transferred in the same capacity to New Orleans in 1949.

Mr. Mohundro went with American in 1952 as a fire underwriter in Dallas. For the past two years he has been a special agent in north central Texas.

Mr. Schott joined the company this year as a safety engineer.

Hyde to Florida Field for Phoenix-Connecticut

John F. Hyde has joined Phoenix-Connecticut group in the Florida field with headquarters at Jacksonville, Fla. He was formerly Michigan special agent for Hartford Fire.

Mr. Hyde was recently elected president of Michigan State Fire Prevention Assn. and served as director of the agents education program at Michigan State university.

Boston Names Gilsdorf, Hull to Field Posts

Boston has assigned John A. Hull, special agent, to Iowa at Des Moines and Norman W. Gilsdorf marine supervisor in Ohio and Kentucky at Cleveland.

Mr. Hull was formerly special agent in Iowa for America Fore. Mr. Gilsdorf joined the company in 1954 as a marine state agent.

Royal-Liverpool Names Captain to Ohio Field

Michael P. Captain has been named special agent for Royal-Liverpool group in Cuyahoga county with headquarters at Cleveland.

Mr. Captain, who completed the group's special agent's training course at New York, will work with State Agent Robert Bright.

Two Fire Field Men Named in Eastern States by Zurich

Zurich has appointed Sidney J. Adams to the fire field production staff covering Connecticut, western Massa-

chusetts and Rhode Island, and John E. Bradzochak in a similar capacity in western New York.

Mr. Adams, who will have headquarters at New Haven, has been in the fire field since 1940 with Corroon & Reynolds, serving as fire underwriter and special agent.

Mr. Bradzochak started in fire insurance in 1949 with Aetna Fire and has been fire underwriter and special agent. He will have headquarters at Buffalo.

Hartford A.&I. Names Hansen at Detroit

Richard H. Hansen has been named a special agent at Detroit by Hartford Accident. He entered insurance in 1953 as a local agent.

Northern of N. Y. Names Mosby to Mo.-Kan. Field

Northern of New York has named Dee Mosby state agent for western Missouri and Kansas with headquarters at Kansas City.

For the past 11 years, Mr. Mosby was manager for General of Seattle in the same area.

The company has filed the participating plan in Missouri and will write on a deviated basis in Kansas through Assurance of America.

Two to Southern Field for Commercial Standard

Rex R. Teal has joined Commercial Standard of Fort Worth as state agent for Kentucky and Tennessee with headquarters at Nashville.

Mr. Teal has been in insurance for 10 years and was formerly with Utilities, Indiana and General of Seattle.

Glen B. Sheard has been appointed special agent in Texas with headquarters at Dallas. He joined the company last year and worked in various home office and field positions.

Fresno-San Joaquin Pond Elects E. E. Sterner

Fresno-San Joaquin pond of Blue Goose has elected E. E. Sterner most loyal gander, Edward C. Doty supervisor, Charles N. Ryan custodian, George Trull Jr. guardian, James S. Scruggs keeper and Edward Harrington welder.

Norwich Union Names Specials in Mass., N. J.

Norwich Union has appointed Robert L. Salisbury, formerly with New Hampshire, special agent in Rhode Island and Massachusetts at Springfield, Donald C. Angstadt special agent in central New Jersey, succeeding Raymond S. Buohomo, who has been reassigned to northern New Jersey. Mr. Angstadt formerly was in the field for

Central Mutual. He will cover Union, Somerset, Hunterdon, Mercer, Middlesex and Monmouth counties with headquarters in New York.

Petrasek to Cal. Field for Providence Washington

Lou W. Petrasek has been named special agent in the Sacramento valley territory for Providence Washington. He has had both company underwriting and production experience and for a short time was with a local agency.

Fireman's Fund Names Sauvageau to Mont. Field

Gerald A. Sauvageau has joined Fireman's Fund as a special agent for northern Montana with headquarters at Great Falls.

Mr. Sauvageau began his insurance career in 1949 and was most recently with the Yeoman agency of Great Falls.

Larberg to Wis. Field for Phoenix of London

Phoenix of London has appointed G. Robert Larberg special agent in Wisconsin under Frank Berry, manager at Milwaukee. Mr. Larberg was formerly a trainee in the group's western department at Chicago.

Bartels in Northern Ill. Field for Dubuque F. & M.

Lawrence F. Bartels has joined Dubuque F. & M. as special agent for northern Illinois, assisting state agent Roger A. Lang, with headquarters at Chicago. Mr. Bartels has been in the northern Illinois field for Continental Casualty as special agent.

Prigge Reassigned in N. J.

Great American has reassigned Edward R. Prigge, special agent, to Bergen and Passaic counties in New Jersey, succeeding Robert E. Trinks, who has resigned. Mr. Prigge, who formerly served central New Jersey, will have headquarters in Ridgewood.

A & S

Compulsory Strongly Opposed at Georgia Committee Hearing

Several local agents expressed opposition to compulsory automobile insurance in Georgia at a hearing conducted by Sen. Overby of Gainesville, chairman of an interim senate committee named to study the problem. J. O. Hatch of Savannah, president of Georgia Assn. of Insurance Agents, said compulsory would be an economic burden. W. C. Dykes of Cochran said a law of this kind would be an open invitation to fraud and fake claims. Carl Lawson of Gainesville called for better enforcement of present safety responsibility law instead of compulsory. The department of public safety needs 50 additional employees and \$200,000 more for enforcement of the SR law, he declared. George Erwin of Atlanta asked for more safety.

Among those asked to testify was Vestal Lemmon, general manager of National Assn. of Independent Insurers, who suggested that Georgia give a strengthened safety responsibility law a chance before experimenting with compulsory which has been tried elsewhere and found wanting. His detailed recommendations for strengthening the law included:

—Modernizing the Georgia law by adding "proof of financial responsibility," which would result in a security

and proof type law such as many states now have and which has been shown to create an incentive to insure.

—Adding an impoundment provision similar to those now in effect in Canadian provinces and which provides for impoundment of the vehicle within 48 hours after the accident unless security or insurance can be shown.

—Work for an increased appropriation for the Georgia department of public safety so that additional skilled personnel may be hired to adequately administer and enforce financial responsibility and traffic laws.

"From the best available information, it appears that about 65% of the private passenger cars in Georgia have liability coverage," he said. He predicted that strengthening the FR law would result in an immediate and significant increase in the number of insured vehicles.

He said figures from the Georgia department of public safety show that in 1955, out-of-state drivers were involved in more than 10% of the traffic accidents and 15% of the fatal accidents. "This," he said, "is just one of the gaps which compulsory will not close."

He drew a comparison of rates between cities in Georgia and cities of comparable size in Massachusetts, where rates are determined by the insurance department under the state's compulsory law. Georgia residents, he said, enjoy an appreciable savings as compared to Massachusetts residents because of the healthy competitive rate situation.

Orville Hodge Sells Agency

Earle J. Miller, office manager of the agency at Granite City, Ill., owned by Orville E. Hodge, has purchased the agency. Mr. Hodge is the resigned Illinois state auditor who has been receiving some rather adverse mention in the newspapers. The agency was founded by Mr. Hodge's father 39 years ago. It will henceforth be known as the E. J. Miller Co.

Merchants Fire of New York has declared a five cent extra dividend, payable Oct. 9 to holders of Sept. 15.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, July 31, 1956.

	Bid	Asked
Aetna Casualty	125	128
Aetna Fire	65	66
Aetna Life	193	196
Agricultural	33 1/4	34 1/4
American Equitable	34 1/2	36
American Auto	25	26
American, (N.J.)	28 1/4	29
American Motorists	12 1/2	13 1/4
American Surety	19 1/2	20 1/4
Boston	35	36
Continental Casualty	99 1/4	100 1/4
Crum & Forster com.	60	62
Federal	32 1/4	33 1/2
Fire Association	51	52
Fireman's Fund	59	60
Firemen's, (N.J.)	32	39
General Reinsurance	46 1/4	47 1/4
Glens Falls	68 1/2	69 1/2
Globe & Republic	21 1/2	22 1/2
Hartford Fire	149	151
Hanover Fire	42	43 1/2
Home (N.Y.)	43	45
Ins. Co. of No. America	100	101
Maryland Casualty	34 1/4	35 1/2
Mass. Bonding	36 1/2	37 1/2
National Casualty	55	56
National Fire	131	133
National Union	4 1/2	5 1/2
New Amsterdam Cas.	48 1/2	49 1/2
New Hampshire	41	43
North River	34	35
Ohio Casualty	24 1/2	25 1/2
Phoenix Conn.	73 1/2	75
St. Paul F. & M.	55 1/4	56 1/4
Springfield F. & M.	52 1/4	53 1/4
Standard Accident	52 1/4	53 1/4
Travelers	74 1/2	75 1/2
U.S.F. & G.	61	62
U. S. Fire	24	25

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GIBRALTAR LIFE BUILDING, DALLAS, TEXAS
SOUTHERN DEPARTMENT, ATLANTA, GEORGIA

Andrea Doria Hull Insured for \$16 Million

(CONTINUED FROM PAGE 1)

dent of Appleton & Cox, and president of American Institute of Marine Underwriters, will go far beyond the total loss of the *Doria* hull. In addition to the \$1,600,000 written by the American hull syndicate, additional losses will be realized in the American market by way of reinsurance. Then there is the damage to the *Stockholm*, loss of high value cargo on the *Doria*, loss of passage money and freight, and liability claims from death and injury to crews and passengers.

Ernest R. King, secretary of American Institute of Marine Underwriters, commented that "good luck of ocean marine insurers the past three years appears to be over. The marine insurance markets of the world have been hit hard. The loss ratio will be high for this year."

Lloyd's Registry values the *Andrea Doria* at \$32 million—she cost \$29 million to build in 1951—and the fine arts which decorated the ship would add another \$28 million to the value. Originating insurers on the protection and indemnity (liability) were two Swiss companies, Assicurazioni Generali Suisse and Assicurazioni Generale Italiana.

It may be six months before the cargo insurance can be determined. It is known that Johnson & Higgins paid a \$2,000 claim on a valuable watch which went down with the *Andrea Doria*, and that there was a \$100,000 specially built Chrysler car which now lies under more than 250 feet of salt water. The car had been designed by Chrysler Corp. and hand built by Ghia of Turin, Italy. The car, named the Norseman, took 15 months to construct. It had no door posts, cantilever arches on each side held the top from the rear, and rear body panels were made of aluminum to reduce weight. The body was streamlined on aerodynamic principles, according to Chrysler Corp. The car was insured.

In the cargo of the *Andrea Doria* were silks, woolsens, cottons, furniture, wines, and olive oil valued at \$2 million. Textile importers usually carry their own coverage, which allows them a 15% margin over the actual cost of the goods. It is reported that there was \$3 million plus coverage on baggage and other belongings of passengers.

The *Andrea Doria*, often called a floating art gallery, was decorated by many of Italy's leading painters, sculptors, ceramists and designers. One fine item was a 16th century crest awarded the Genoese admiral for whom the ship was named. She also carried hundreds of other fine art treasures as decorations.

Salvage on the ship is, according to experts, impossible. The 697 foot vessel lies on its side in 225 feet of water near Nantucket Lightship. Her highest side is 160 feet below the surface and there is no available equipment capable of lifting the ship, which, filled with water, would weigh about 40,000 deadweight tons. Salvage experts state there is no chance of getting men and material down to the ship to seal off the openings so air could be pumped into the compartments for buoyancy. In her 10 decks there are innumerable ports, hatches, ventilators, etc., as well as the 50 foot gash which penetrates a third of her width. It would also be impossible to build pontoons under a ship of her size at that depth.

The ship is still owned by the Italian lines, even though she has been abandoned. The title to the *Andrea Doria*

was not divested by the abandonment. She is marked by a coast guard buoy and the spot is patrolled by a coast guard cutter.

The reason for the crash is still unknown. Three investigations have been ordered. Both ships had radar, which, it is said, were in good working order when they left their respective ports.

One insurance spokesman said that when radar was first installed in ships, shipping lines wanted big rate reductions, but that underwriters didn't have as much faith in radar as the shipping companies did. However, a special rate is allowed on hull cover for ships equipped with radar.

Now, the questions are asked, why, with radar, which is supposed not to be affected by fog, did the ships not know of each others presence and avoid the crash? Why did the *Andrea Doria*, built to withstand even a collision with another vessel, sink? Also, why did the collision occur at all when west bound vessels were supposed to be separated by 20 miles of water from

east bound vessels in that particular area known as the crossroads of the Atlantic?

Early this week there was no authoritative count of persons who died in the collision, or as a result of it. It was known that 11 persons were dead, the count stood at 18 missing and presumed dead, and 47 others missing. The *Andrea Doria* carried a passenger list of 1,134 and a crew of 575, though neither of these figures are official. The *Stockholm* carried 550 passengers and 200 crewmen.

Mr. King said that it is doubtful if a total figure will ever be arrived at on the personal property floaters carried by the passengers. The liability limit of each ticket on the *Andrea Doria* is \$200. However, litigation may change the amount of the liability.

The loss of the ship, baggage, cargo and lives, is only a part that both the Swedish-American and Italian lines will suffer, Mr. King pointed out. The economic loss will be terrific. July is the peak of overseas passenger traffic and the *Andrea Doria* had been booked full for nearly all trips for the rest of the tourist season—at least

through September. The *Stockholm*, too, had nearly full booking for the rest of the season. Now, those ships are lost for the season and there has been no estimate of how long it will take to repair the *Stockholm*. In addition other lines suffered economic loss. The *Ile de France*, which rescued more than 1,000 of the *Andrea Doria*'s passengers and crew, lost 36 hours in returning to New York, from which she had sailed. The *Cape Ann*, freighter of United Fruit Co., also lost a day in rescuing passengers and crew. Other rescue ships also lost time. Economically, the ship lines are badly hurt, Mr. King said. He added that there is no cover available that insures that a ship will continue to operate or that pays for loss of business.

In the meantime, the *Fairisle*, freighter owned by Pan-Atlantic Steamship Corp., which collided off the New Jersey coast the previous week with a Panamanian tanker, (see July 26 issue) rolled over in 13 feet of water in Gravesend Bay off Brooklyn. The *Fairisle* had been at anchor in Gravesend Bay undergoing repairs which

(CONTINUED ON NEXT PAGE)

PEPPY FREDDY, the fieldman, says:



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would allow her to be taken to drydock. The *Fairisle* carries 5,000 tons of general cargo, some of which should be salvagable even though it has been in the water. There is still no estimate on the amount of insured loss on the vessel.

The other freighter is in drydock in Brooklyn for repairs for a substantially damaged bow.

Pays \$100,000 Trip Policy Loss on Doria

Among the claims resulting from the Andrea Doria disaster was one for \$100,000 which has been paid by Associated Aviation Underwriters under an annual common carrier passenger accident policy for the death of Mrs. Martha Peterson, wife of Dr. Thure C. Peterson of Upper Montclair, N. J. The loss was first reported to the company July 27 at noon and the check for \$100,000 was in the mail to the beneficiary before the close of business the same day.

The Petersons had left by air June 18 for Zurich, where Dr. Peterson spoke before European Assn. of Chiropractors. Before leaving on the trip

Congress Votes \$5 Billion Flood Cover

(CONTINUED FROM PAGE 1)

rying out the programs authorized by the bill, to use the facilities and services, to the maximum extent practicable, of private organizations and persons authorized to engage in the insurance business. The administrator is permitted also to pay reasonable compensation for such use of such facilities.

The bill authorizes the administrator to establish a disaster insurance fund, a disaster reinsurance fund, and a disaster loan fund. Insurance and reinsurance fees will go into

Dr. and Mrs. Peterson each took out \$100,000 of travel accident insurance through Associated Aviation.

D. deR. M. Scarritt, manager of Associated Aviation, points out that the claim emphasizes the fact that aviation insurers now issue accident coverage that extends considerably beyond air travel perils. However, the broader coverage is offered, he said, to individuals who do a significant amount of traveling by air.

amounts accruing to the U.S. from loan transactions into the disaster loan fund. This section, 15, also provides that "administrative expenses will include amounts paid to private insurance agents and others who perform services under contract in connection with the insurance, reinsurance, and loan-contract programs."

The bill also establishes, in section 16, an advisory committee composed of three to 15 individuals familiar with insurance and reinsurance problems. This committee will advise the administrator in formulating policies and executing functions under the insurance and reinsurance programs.

The administrator is directed to undertake a continuing study of the feasibility of extending insurance to types of natural disasters other than floods if and while public and private insurance is not generally and practically available against such perils in all geographical locations to which the bill

applies. Section 17(b) requires a study of private insurance company participation in order to encourage flood coverage by private insurers with the aid of federal reinsurance. Section 17(c) requires a study of the feasibility of having private insurance take over the insurance programs authorized by the bill, either with or without federal aid.

With his report for the calendar year of 1961, the administrator shall set forth his opinion and findings as to the advisability of withdrawing federal financial aid for insurance policies to be issued after June 30, 1962. If his opinion is that withdrawal of such financial aid is advisable, this opinion is to be accompanied by recommendations for necessary legislation.

The bill defines flood to include any flood, tidal wave, wave wash, or other abnormally high water, deluge, or the water component of any hurricane or other severe storm, surface landslide due to excess moisture, and such other meaning as the administrator may prescribe by regulation. The definition includes only surface landslide due to excess moisture and does not include landslide due to subsidence or settling of land following mining and other subterranean operations.

However, the bill goes on, this definition of flood includes the concentration, overflow, or backing up, in cities, towns, and other places severed by subterranean sewers, drains, and conduits, or large quantities of water which originate from or are caused by a flood and which are beyond the capacity of such sewers, drains and conduits.

The property covered may be owned privately or by a state or local government and agencies thereof. Thus municipal and state facilities will come under the program.

The administrator is required to compute a schedule of estimated rates for federal "insurance" which, if collected, would be sufficient to produce proceeds to pay all claims for probable flood losses over a reasonable period of years. The estimated rates do not include any amount for profit or for administrative expenses but must be based on consideration of the risks involved and must be uniform for similar risks within a given property classification. These estimated rates are to be used as a basis for determining the fees to be paid for insured parties.

However, section 7(a) does not require the administrator to collect the full amount of these estimated rates from insured. He may establish a lower schedule of fees to be paid by insured. This lower schedule of fees is to represent a reasonable cost for protection and is to be designed to achieve marketability of the policies.

No fee may be fixed at less than 60% of the estimated rate, except that further reduced fees may be established for reinsurance on any classification of owned or occupied dwelling units if the administrator determines that the owners of such dwelling units as a class otherwise could not afford to pay the fees charged for such insurance. The administrator may classify fees according to property use, the degree of availability of insurance from private sources, and the ability of prospective insured to self insure or reinsure. The administrator is required to pay into the disaster insurance fund from time to time an amount equal to the difference between the fees charged and the estimated rates. Payment of this amount represents, in effect, a government insurance subsidy.

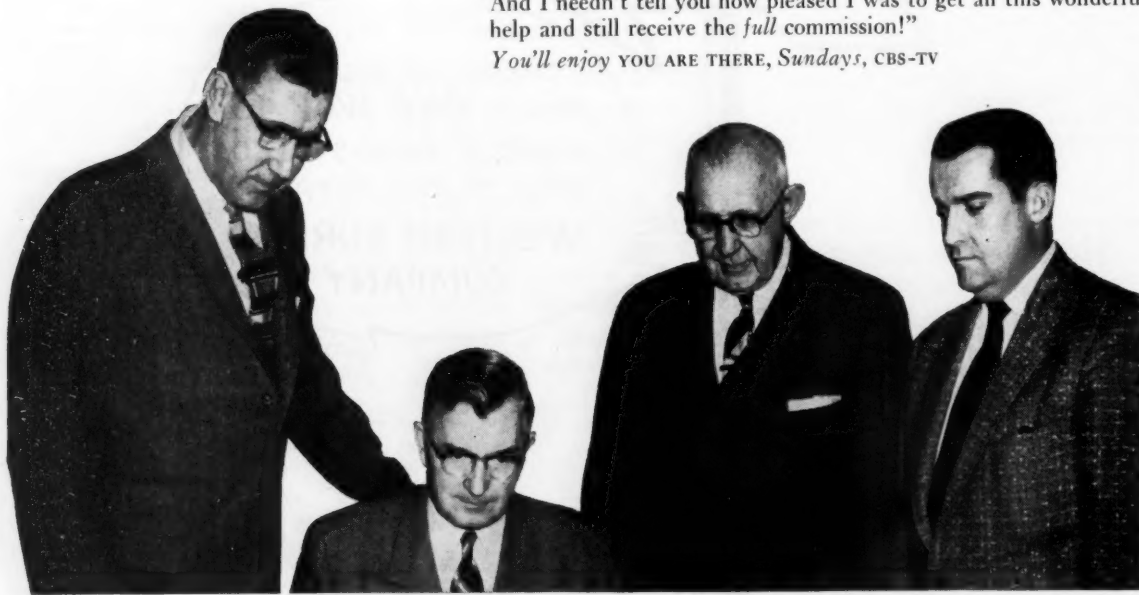
The government would pay 40% of

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... says Broker William J. Gourley (left) of Cleveland, Ohio, shown here with Mr. Earl Bergmann (seated), President of Sealy Incorporated, Mr. H. G. Hager, Sr., Sealy Plant Manager, and Jack Sewell, Brokerage Manager of Prudential's Cleveland Shore Agency.

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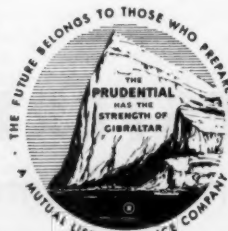
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the "premium" the first three years, after which the states would pay half the government assumption. The administrator is also authorized to negotiate fees for reinsurance. These are to be sufficient over a reasonable period of time to pay all claims for losses under reinsurance agreements, and they do not include an amount for administrative expenses or profit. There is, however, no express subsidy provision.

The administrator may issue appropriate regulations relating to the classification, limitation, and rejection of risks assumed by him under the authority of the bill.

Section 10(a) limits to \$250,000 the face amount of insurance outstanding at any one time with respect to any person, but the limit of coverage on any dwelling unit, including structures and personal property, shall not exceed \$10,000. These limitations are to be applied separately to the insurance and loan contract program.

There will be a loss deductible of \$100 on each policy plus 5% of the remainder of the claim. A larger amount or percentage may be set by the administrator when the policy is issued, in the light of the class of risks involved.

The face amount of insurance and reinsurance outstanding at any one time under the bill shall not exceed \$3 billion. However, this limit may be increased with advance approval of the President by additional amounts not to exceed \$2 billion in the aggregate. However, the limit in effect is reduced by the aggregate amount of claims proved and approved under insurance and reinsurance issued under the bill. Fees collected are added to the limit. For the purposes of applying the limit, the face amount of an insurance policy or reinsurance agreement shall be deemed to be the original amount minus claims proved and approved thereunder.

The reinsurance program is designed to encourage private insurers to issue flood coverage. In addition, the administrator is authorized to encourage private insurers to issue flood cover. The bill prohibits insurance, reinsurance and loan contracts on risks against which insurance is reasonably available from other public and private sources.

Another important prohibition is

against issuance of insurance and reinsurance on any property declared by an appropriate public body to be in violation of state or local flood zoning laws. Also, after June 30, 1958, no insurance or reinsurance can be issued under the bill in any geographical location unless the appropriate public body has in force flood zoning restrictions deemed necessary by the administrator to reduce flood damage, within practicable limits.

While rates are to be determined, one government witness testified during hearings on the measure that the cost for \$10,000 of insurance would range from \$69 to \$372 a year.

Approve State Farm's UM Endorsement in N.Y.

The New York department has approved the uninsured automobile endorsement filed by State Farm. The endorsement is somewhat different than UM endorsements offered in the state by other companies in that it specifically defines how to arrive at the amount due to a policyholder under a claim.

The coverage, with a semi-annual premium of \$1.20, includes only tangible loss and is offered only to policyholders who have medical payments in force, eliminating duplicate payment of medical bills.

The endorsement covers 80% of extra household expenses for extra or additional household services required by bodily injury sustained by insured within one year following an accident. Limits are \$1,000 for one household and \$2,000 for the households of all insured injured in any one accident.

It also covers 80% of actual loss of earnings of insured with 5/10 limits and contains a loss of life and dismemberment schedule. The loss of earnings are computed on the basis of insured's average monthly earnings during the one-year period immediately preceding the accident.

William Anderson, 17, has joined the Frank A. Anderson agency of Pontiac, Mich., and is believed to be the youngest person ever to pass the state agent's license examination. His father, who operates the agency, is a past president of Pontiac Assn. of Insurance Agents.

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CPCU Designees Sets New Record in 1956

(CONTINUED FROM PAGE 1)

ville; Huntington, Floyd C., Hiram C. Gardner, Inc., Denver;
Innes, Andrew M., Merrimack Mutual Fire, Andover, Mass.;
Jewett, Robert B., Jewett Agency, Portland, Ore.; Jones, Richard K., W. G. Whitaker & Son, Wooster, O.; Jorgensen, James R., Lumbermens Mutual Casualty, Renton, Wash.;
Kane, Gerald L., broker and agent, New York; Keller, Richard C., Fred B. Keller & Co., Chicago; Kelly, William Bret, Steel City Investment Co., Pueblo; Kemp, William D., America Fore group, Charlotte, N. C.; Keys, Robert William, Liberty Mutual, East Orange, N.J.; Killian, Hill M. Jr., Hill M. Killian Co., Los Angeles; Klevan, Bernard, broker, Mer-

rick, N.Y.; Kohn, Louis S., Wirkman Co., Philadelphia; Kreuser, Roderic O., Prudential of Great Britain, New York; Krueger, Donald Joseph, Mutual Service Casualty, St. Paul; Kula, John J., Marsh & McLennan, Chicago; Lamwers, E. Henry, Firemen's, Newark; Lance, John F., broker, Indianapolis; Lane, Douglas Lester, Dow-Laney Co., Seattle; Langley, Payson B., Aetna Casualty, Washington, D. C.; Lanham, John L., Employers Mutuals of Wausau, Evanston; Lee, Gregory A., U.S.F.G., Baltimore; Lent, Harold Brewster, Knox, Kent & Tucker, White Plains, N.Y.; Leo, John A. Jr., North America, Austin; Lerman, Calvin J., local agent, St. Paul; Lewis, George M., Travelers, Danville, Ind.; Lichty, Mary J., National of Hartford group, Des Moines; Logan, George S., Hartford Fire, Los Angeles; Low, John W., Hardware Mutuals, Stevens Point, Wis.; *Lubin, Milton A., Lubin & Lubin, Chicago; Lupke, Duane E., Lupke Agency, Fort Wayne; Lyons, John T., Blackhawk Mutual, Chicago;

Mack, John P., Mack & Parker, Chicago; Mann, Herbert W., Voorheesville, N.Y.; Marias, John F., Marsh & McLennan, San Francisco; Martin, Charles T. Jr., Wales & Bond, Norfolk; Marvin, Robert Earl, Security-Connecticut, Oakland, Mass.; Irvin M., Knight, Rives & Co., Atlanta; McDonald, Roberick, Springfield F. & M., Springfield, Mass.; McDowall, James Marvin, Ed. S. McDowall & Sons, Sacramento; McGough, Kent B., McGough Agency, Lima, O.; McGough, William R. McGough Agency, Lima, O.; *McIntyre, Scott J., United Fire & Casualty, Cedar Rapids; McSpadeen, Thomas A., W. D. Lynn, Wabash, Ind.; Menefee, Harold L., General of America, Garland, Tex.; Miller, Malcolm S., Camden Fire, Camden, N.J.; Mills, El Nora, Mills Insurance service, Santa Monica; Mitchell, Loyal R., local agent, Butler Pa.; Moore, David L., Marsh & McLennan, New York; Moreland, John O. Jr., agent, Hayward, Wis.; Morris, George C., Johnson & Higgins, San Francisco; Mulvaney, Lawrence B., Policy Holders Union, Chicago;

Neale, William Henry III, Phoenix, Connecticut, Grand Island, Neb.; Neighbors, Walter D., Ralph W. Lee & Co., Washington, D. C.; Nelson, John Jr., Guy Carpenter & Co., New York; Nelson, Robert W., Weston D. Ralston, Cedar Rapids; Newlands, Richard C., George F. Newlands Co., Portland, Ore.

*Oldenettel, Lester E., Planet, Detroit; *Osborn, Grant M., University of Omaha; Palley, Sydney B., Wirkman Agency, Philadelphia; Parker, Oscar James Jr., Maryland Casualty, Pittsburgh; Petersen, Joseph C., Providence Washington, Chicago; *Pfeffer, Irving, University of California, Los Angeles; Pickrell, Jesse F., North Texas State College, Denton, Tex.; Platzer, Philip, New York Mutual Casualty, New York; Powers, Richard M., General of America, San Francisco; Price, Robert M., W. A. Richey, Chester, Pa.; Proctor, G. Stewart, Rixey Agency, Cincinnati;

Raymond, Rosemary, W. B. Johnson & Co., Kansas City; Reddington, John W., North America, Beechhurst, N.Y.; Renk, Ernest F. Jr., Henry & Rockey, Harrisburg, Pa.; Rigby, John D., Lawton Byrne Bruner Agency, St. Louis; Rock, L. Glen, Warfield-Dorsey Co., Baltimore; Rogers, Elizabeth Howe, Rogers & Beiding, El Paso; Roth, Graham Jr., local agent, Louisville; Rudd, William B., Town & Country Agency, Sacramento; Ryan, Thomas J., Creth & Sullivan, Philadelphia;

Safford, N.E., American Agency, Salt Lake City; Schlosser, F. William, American Auto, Minneapolis; Schwentker, Frank J., University of North Carolina; Sellers, James E., Boston, Des Moines; Selliken, Winifred E., Liberty Mutual, East Orange, N. J.; Sheehan, Thomas F., Zurich, Chicago; Shifrin, Robert L., Kaufman-Wise Agency, St. Louis; Shirly, Roland P., Indemnity of North America, Des Moines; Shoemaker, William E., American Mutual Liability, Upper Darby, Pa.; Simonton, William Kirk, F. H. Simonton, Inc., Wilmington; Stevenson, James III, Camden Fire, Camden, N.J.; Stromwall, John A., Anchor Casualty, St. Paul; *Stubbs, Frederick G. Jr., Berkeley, Mich.; Sturges, Raymond E., North America, San Jose, Cal.;

Taber, William S., Griswold & Co., Allendale, N.J.; Tabor, Robert G., local agent, Buffalo; Taylor, Francis P., Albany Mutual Casualty, Des Moines; Taylor, Robert P., Bird, Lange & Maris, Little Rock; Tegge, Godfrey George, Northern of New York, New York; Tennant, Richard G., Gatch, Tennant & Co., St. Louis; Tessmer, George R., American Home Agency, New York; Thomas, George E., Industrial Indemnity, San Francisco; Thomas, John M. Jr., Hartford Fire, Baltimore; Tily, Thomas W., Marsh & McLennan, Los Angeles; Tompkins, Minthorne M. III, Fireman's Fund, Seattle; Tuten, William W. Jr., E. Kinker & Co., Cincinnati;

Van Lente, Dale E., Johnson & Higgins, Detroit; Wagner, James A., Travelers, Pittsburgh; Wahlker, Albert E., Midwest Indemnity, Cincinnati; Wallace, J. Berry, American Foreign Insurance Association, Washington, D. C.; Waller, Jack H., Kemper Agency, Chicago; Warfield, Guy T., Warfield-Dorsey Co., Baltimore; Warren, Edward C., Ledbetter Agency, Oklahoma City; *Webb, L. L., Insurance Advisory Committee of Richmond, Va.; Webb, Glenn C. Jr., local agent, Lima, O.; Weipert, W. C., Marsh & McLennan, Chicago; Westlake, James Roger, Southern Agencies, Atlanta; White, James Russell, London Assurance, New York; Wight, C. Neville, Great American, Philadelphia; Willback, Melvin J., America Fore, Sacramento; Willey, Richard E., Maritime Underwriters Co., Boston; Williams, Harold T., U.S.F.G., Syracuse; Wilson, Charles C., Indemnity of North America, New York; Wolfheim, Richard J., W. H. Markham & Co., St. Louis; Woodson, Smith, Woodson Insurance & Realty Co., Raleigh; Wyle, Jerome J., Boston, Raleigh; Young, Herbert D., America Fore group, New York

CPCU candidates who have completed examination requirements but

not experience requirement in 1956:

Evans, George M., American Casualty, Reading, Pa.; Knott, Richard D., Thompson & Peck, New Haven; Parry, Arthur Edward, United Pacific, Tacoma; Small, Harold M., Erie Indemnity, Erie, Pa.

300 Attend Texas Hearing on Dwelling Graduated Rates

AUSTIN—The Texas department hearing on graduated fire rates for dwellings and other filing matters attracted a crowd of more than 300 here last week. Fire Commissioner Mark Wentz indicated he will give strong backing to getting the graduated rate proposal into effect.

Also on the agenda were the filing of a continuous policy endorsement of Farmers group of Los Angeles and a renewal certificate filing by Allstate.

The department approved the idea of a graduated rate schedule last March, and nominated an effective date of Aug. 1. There will be some delay in adopting the new plan while the procedures are worked out and the implications of the rating scale to the need for rate revisions are studied. The plan, in general, would establish a basic fire rate for dwellings valued at or insured for up to \$5,000, a lower rate for \$5,000 to \$10,000, and a still lower rate above \$10,000. The exact amounts of the breaking point in the rate structure or the deviations are not yet determined. Mr. Wentz said in a statement that the present method for rating dwelling risks "dates to the horse and buggy days," proposing a system of flat rates for dwellings (the details of which are not worked out) under which all key rates would be carried in 10 brackets, such as 0 through 10 cents, 11 cents through 20 cents, etc. He also suggested that dwelling contents be taken out of the dwelling schedule and put under a new classification of their own.

This will necessitate considerable work in rate adjustment so that the new schedule can be promulgated while rates remain in the present formula. Mr. Wentz observed, asking that Texas Insurance Checking Office furnish a committee to work with the department to set up rates on fire and EC on dwellings and to decide the proper graduated rate value brackets. The companies and agents were asked to furnish committees to work with the department also in developing charts for the use of agents and companies in this operation. "Time is an important element," he said, "and it is my suggestion that these committees meet immediately with my staff so that all problems in connection with the new schedule may be worked out not later than Aug. 15."

Will C. Thompson, counsel for Texas Insurance Advisory Assn., remarked that the proposed revisions were the most fundamental changes in rating procedures to have been brought up in his lifetime. He urged the department to continue the present fire rating formula in effect, as well as the principle of adjusting earned premiums to current rate levels and the principle of having rates produce the same amount of premium as the present formula of 51% for losses and 49% for expenses, including profit and contingencies. If any rates within a class are reduced, he noted, other rates within the class will have to be increased correspondingly.

Clyde H. Graves, representing Mu-

tual Insurance Advisory Assn., said he feels the implications of the graduated plan call for more study of the matter.

The continuous policy filing of Farmers group was explained by Keith Kelly, Fort Worth attorney, who said until the passage of a recent law for determining solvency of insurers, reciprocals have been using a continuous policy endorsement. It was not the intent of the legislature to change this, Mr. Kelly contended, asserting that the use of the endorsement is beneficial to the mortgagee and mortgagor. Similar endorsements are used in 24 states, enabling reciprocals to pass the savings on to the public. To deny the use of the endorsement would increase the cost of insurance, he argued.

Vestal Lemmon, general manager of National Assn. of Independent Insurers, supported Mr. Kelly, stating that this type of endorsement has been used for automobile insurance in Texas and he could see no reason why Farmers Exchange should not be allowed to use it for fire and allied lines.

Opposition was voiced by Sterling Sasser, Austin, speaking for Texas Assn. of Mutual Insurance Agents, who said it would be detrimental to the buyers and would produce a price war and eventually result in the writing of annual policies, and by Durward L. Anderson, Houston, for Texas Assn. of Insurance Agents, who said his organization is opposed to such an endorsement and that it would confuse the public.

W. C. Thompson of Texas Insurance Advisory Assn. filed a brief opposing the continuous endorsement, saying he thought it would lead to court suits based on lack of due consideration. The endorsement is not paid for, he contended, and the phrase "policy in force until cancelled" could only cause misunderstanding.

W. A. Grunton of Farmers Exchange said that when a change in rate is made Farmers gives the insured the advantages of a lower rate. He said there is no reason for confusion because the insured is given a 10 day notice.

Mr. Lemon also supported the Allstate filing for use of a renewal certificate, saying it is standard procedure for automobile and workmen's compensation insurance, has been used in other states satisfactorily and provides and answer to the need for flexibility. The legislature cannot delegate authority to the board to control matters of his character, he said.

Mr. Anderson, for the agents, and Mr. Thompson for Texas Insurance Advisory Assn., both expressed opposition to the renewal certificate.

DEATHS

(CONTINUED FROM PAGE 22)

there from 1914 until she retired in 1953. The agency was established in 1868 by the late Stephen S. Wolf, her father-in-law, and has been operated continuously by members of that family. Carl S. G. Wolf, a grandson of the founder, and his daughters, Mary Lucia and Kathleen, currently operate the agency.

JOSEPH SHMISHKISS, 73, local agent of Lynn, Mass., died in Farmington, Me., while on vacation. He was in the business for more than 40 years.

MRS. KATHERINE C. ROBINSON, wife of John R. Robinson, president of Phoenix of London, died after a long illness in Manhasset, L. I.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

WANTED

HOME OFFICE EXAMINER CASUALTY ADJUSTERS & SUPERVISOR

Positions now available for above, due to company's well planned expansion in casualty field. Your experience might command an above average salary including regular company benefits. Write giving details of your present status, interview will be arranged.

LINCOLN CASUALTY CO.
175 W. Jackson Blvd.

Chicago, Illinois

Attention: S. R. Virco

Examiner applicants write Lincoln Casualty Co., Springfield, Illinois, Attention S. R. Virco.

AUTOMOBILE UNDERWRITERS

Excellent opportunities in new ultra modern building; merit increase program, liberal benefits, pleasant working conditions, 36/4 hours.

LUMBERMENS MUTUAL CASUALTY COMPANY

a division of

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Beechwood Road, Summit, N. J.

CRestview 3-9000

UNDERWRITER

Unusual opportunity in Chicago for young man with one to four years casualty underwriting experience to enter Lloyd's underwriting field. Salary commensurate with experience. Give age, marital status, qualifications and salary expected. All replies confidential. Address Box N-43, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

EXPERIENCE AVAILABLE

To perpetuate your agency. Stock Company fieldman, 41 with Fire, Auto, Marine and multiple line experience during 20 years service in office and field, will purchase interest or buy agency in California, preferably San Francisco area. Details necessary. Write Box N-46, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

MICHIGAN—MULTIPLE LINE FIELDMAN

Splendid opportunity in newly established branch of multiple line stock group. Prefer casualty background. Please give full details as to age, experience and salary requirements. Reply Box N-47, c/o National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED—FIELD SUPERVISOR

Unusual opportunity for experienced person to supervise Indiana for this alert property insurance company that belongs to its agents. Give us details of your qualifications and perhaps references.

Excelsior Insurance Company
Syracuse 2, New York

CASUALTY UNDERWRITER

Excellent opportunity with multiple line company for experienced casualty underwriters in branch offices in Indianapolis, Cleveland, Detroit and Lansing. Please give full details as to age, experience and salary requirements. Reply Box No. N-49, National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Ill.

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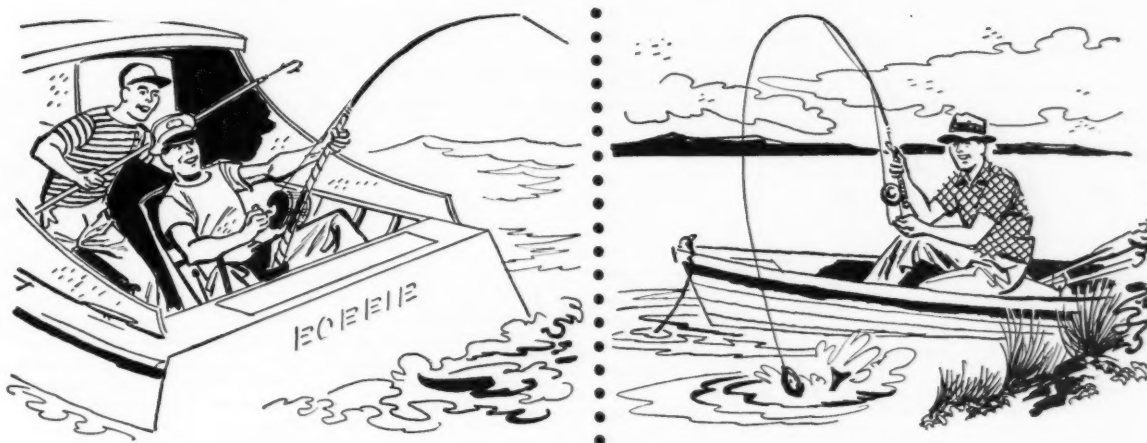
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Selling sporting goods or selling Insurance...



IT'S WISE TO MERCHANDISE

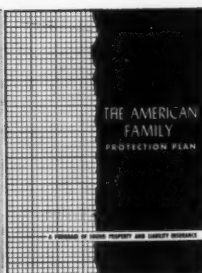
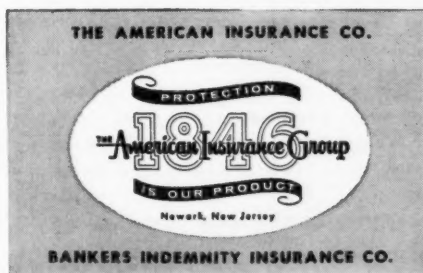
The deep sea fisherman and the rowboat angler need different types of tackle. The intelligent sporting goods dealer sizes up each customer's needs, and recommends the proper assortment of tackle and gear. the correct strength of line, even the most comfortable sports apparel.

In selling insurance for the family the intelligent agent should follow this same pattern. American agents, therefore, use the flexible American Family Protection Plan to sell complete accounts of insurance to the entire market, from the luxury to the economy home-buyer.

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Company _____
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City _____ Zone _____ State _____

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 5,406,999.79	Reserve for Losses	\$ 18,710,827.16
Mortgage Loans on Real Estate	946,030.04	Reserve for Loss Expenses	1,621,400.00
*Bonds and Stocks	162,401,031.61	Reserve for Unearned Premiums	52,622,853.30
Interest due and accrued	236,182.94	Reserve for Taxes and Expenses	3,290,258.00
Agents and Departmental Balances	3,803,131.44	Funds held under Reinsurance Treaties	5,845,871.38
Real Estate	3,086,000.00	All other Liabilities	1,261,182.18
Equity in Marine and Foreign Insurance Pools	9,721,363.59	Capital	15,000,000.00
All other Assets	1,365,827.61	Net Surplus	88,614,175.00
Total admitted Assets	\$186,966,567.02	Total	\$186,966,567.02

SURPLUS TO POLICYHOLDERS \$103,614,175.00

Securities carried at \$3,808,805.91 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 534,201.96	Reserve for Losses	\$ 1,954,862.54
Mortgage Loans on Real Estate	1,283.32	Reserve for Loss Expenses	169,400.00
*Bonds and Stocks	14,240,435.20	Reserve for Unearned Premiums	5,864,044.20
Interest due and accrued	46,379.76	Reserve for Taxes and Expenses	382,318.00
Agents and Departmental Balances	178,165.49	All other Liabilities	17,574.18
Real Estate	150,000.00	Capital	1,000,000.00
All other Assets	262,765.55	Net Surplus	6,025,032.36
Total admitted assets	\$15,413,231.28	Total	\$15,413,231.28

SURPLUS TO POLICYHOLDERS \$7,025,032.36

Securities carried at \$795,543.41 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 851,570.55	Reserve for Losses	\$ 1,954,862.54
*Bonds and Stocks	13,320,277.37	Reserve for Loss Expenses	169,400.00
Interest due and accrued	37,914.18	Reserve for Unearned Premiums	5,497,910.04
Agents and Departmental Balances	1,749,124.28	Reserve for Taxes and Expenses	387,418.00
Real Estate	66,000.00	All other Liabilities	17,574.18
All other Assets	132,584.55	Capital	2,000,000.00
Total admitted Assets	\$16,157,470.93	Net Surplus	6,130,306.17
		Total	\$16,157,470.93

SURPLUS TO POLICYHOLDERS \$8,130,306.17

Securities carried at \$1,956,902.96 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,089,155.22	Reserve for Losses	\$ 5,306,055.46
Mortgage Loans on Real Estate	332,501.95	Reserve for Loss Expenses	459,800.00
*Bonds and Stocks	38,550,037.75	Reserve for Unearned Premiums	14,922,898.69
Interest due and accrued	99,954.84	Reserve for Taxes and Expenses	1,252,806.00
Agents and Departmental Balances	2,885,992.37	All other Liabilities	59,161.50
All other Assets	410,264.17	Capital	3,000,000.00
Total admitted Assets	\$43,367,906.30	Net Surplus	18,367,184.65
		Total	\$43,367,906.30

SURPLUS TO POLICYHOLDERS \$21,367,184.65

Securities carried at \$2,935,430.82 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 39,031.74	Reserve for Taxes and Expenses	\$ 3,980.86
Bonds and Stocks	404,536.14	Capital	100,000.00
Interest Due and Accrued	2,945.21	Net Surplus	353,917.08
Agents and Departmental Balances	11,384.85		
Total admitted Assets	\$457,897.94	Total	\$457,897.94

SURPLUS TO POLICYHOLDERS \$453,917.08

Securities carried at \$55,720.22 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 2,050,054.59	Reserve for Losses	\$19,529,061.00
Mortgage Loans on Real Estate	13,788.26	Reserve for Unearned Premiums	13,846,779.68
*Bonds and Stocks	48,966,786.82	Reserve for Loss Expenses	2,247,095.00
Interest due and accrued	167,466.15	Reserve for Taxes and Expenses	1,647,113.89
Agents and Departmental Balances	3,509,949.53	Funds held under Reinsurance Treaties	197,366.55
Equity in Marine and Foreign Insurance Pools	150,789.49	All other Liabilities	167,463.00
All other Assets	231,563.29	Capital	3,000,000.00
Total admitted Assets	\$55,090,398.13	Net Surplus	14,455,519.01
		Total	\$55,090,398.13

SURPLUS TO POLICYHOLDERS \$17,455,519.01

Securities carried at \$4,426,379.84 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,902,307.91	Reserve for Losses	\$24,001,921.00
Mortgage Loans on Real Estate	432,972.54	Reserve for Loss Expenses	2,664,267.00
*Bonds and Stocks	58,149,018.36	Reserve for Unearned Premiums	16,372,985.52
Interest due and accrued	175,081.72	Reserve for Taxes and Expenses	1,656,825.00
Agents and Departmental Balances	3,718,871.79	Funds held under reinsurance Treaties	663,218.89
Equity in Marine and Foreign Insurance Pools	156,973.17	All other Liabilities	119,854.37
All other Assets	276,839.35	Capital	3,000,000.00
Total admitted Assets	\$64,812,064.84	Net Surplus	16,332,993.06
		Total	\$64,812,064.84

SURPLUS TO POLICYHOLDERS \$19,332,993.06

Securities carried at \$1,691,171.13 in the above statement are deposited as required by law.

*Valuations on basis prescribed by National Association of Insurance Commissioners

HOME OFFICE

10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department

102 Maiden Lane, New York 5, New York
206 Sansome St., San Francisco 4, Calif.

Western Department
120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department
912 Commerce St., Dallas 22, Texas

Pacific Department
220 Bush St., San Francisco 6, Calif.

Canadian Departments
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.